

MARKET SUMMARY

Complete Recap of Today's Market Activity

Uneventfully Weaker Regardless of Durable Goods Data

Market Summary: Thursday, April 25, 2024 - 8:03AM

Bonds were weaker in the overnight session on a combination of anxiety over potential sales of US Treasuries in Japan and European economic data. The domestic session brought actual selling of US Treasuries in the form of the 5yr Treasury auction, but the market already knew about that one. The auction was reasonably well received and had no impact on trading levels. Earlier in the morning, Durable Goods came out right in line with expectations and also had essentially no impact. Overnight weakness was maintained throughout the day with most of the momentum being sideways near recent highs yields.

Latest Video Analysis



Uneventfully Weaker Regardless of Durable Goods Data



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UMBS 6.0	99.08	-0.35	10YR	4.699%	+0.057%	4/25/2024 5:00PM EST
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The Other Side of Sideways

The bond market has been decidedly more sideways after hitting longer-term yield highs last Tuesday. 10yr Treasuries have been a relatively narrow range since then, mostly respecting a ceiling of 4.65 and a floor of 4.57. The first two days of the week saw yields start near the ceiling and improve by the close. We're starting near the ceiling again today but so far, we haven't been as quick to rally.

Weakness began in the overnight session on a combination of factors. Tensions remain high heading into the Bank of Japan announcement (after the close on Thursday). Concerns center on the prospect of official selling of Treasuries in order to defend against additional weakness in Yen/USD exchange rates.

Losses continued after strong IFO data in Germany with some spillover between European and US yields.

In general though, US yields have been trending gradually higher since hitting the lows yesterday afternoon. Neither the IFO data, nor the U.S. Durable Goods reaction have caused much deflection.

The afternoon's key event is the 5yr Treasury auction at 1pm ET. These don't usually cause big reactions, but it's definitely capable of intraday volatility and/or shifting an intraday trend.

- UPDATE: Overnight Weakness Remains After Durable Goods Data
- MBS MORNING: Bonds Showing Strong Desire For Econ Data

Today's Mortgage Rates

30YR Fixed	7.52%	+0.13%	15YR Fixed	6.91%	+0.08%	4/25/2024
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Mortgage Rates Pleasantly Stable Despite Some Bond Market Weakness

The average mortgage lender was able to offer conventional 30yr fixed rates that were very close to yesterday's levels despite bond market movement that suggested a bigger spike. In a vast majority of cases, if the bond market is in weaker territory compared to the previous day, rates will be higher in proportion to that weakness.

In today's case, rates moved higher by an arguably insignificant 0.01% on average. Bonds suggested the increase should be more like 0.03-0.05%. Lenders were able to hold the line due to the timing of yesterday's bond market improvement and the fact that it was not fully priced in to rate offerings.

In other words, if mortgage lenders were painters, they got a delivery of some nice new paint yesterday but didn't have time or inclination to get it all on the canvas. Now today, some of that paint has gone missing, thus leaving the big picture to look almost exactly like yesterday's.

Time	Event	Actual	Forecast	Prior
Thursday, Apr 25				
8:30AM	Q1 Core PCE Prices QoQ Final ☆	3.7%	3.4%	2%
8:30AM	Apr/13 Continued Claims (ml)	1781K	1814K	1812K
8:30AM	Q1 GDP Final Sales (%)	2%		3.9%
8:30AM	Mar Goods Trade Balance Adv	\$-91.83B	\$-91.2B	\$-91.84B
8:30AM	Mar Retail Inventories Ex Autos MoM Adv	-0.1%		0.4%
8:30AM	Apr/20 Jobless Claims (k) ☆	207K	214K	212K
8:30AM	Q1 PCE Prices QoQ Final	3.4%		1.8%
8:30AM	Q1 GDP deflator (%)	3.1%	3%	1.7%
8:30AM	Mar Wholesale inventories mm (%) ☆	-0.4%	0.2%	0.5%
8:30AM	Q1 Real Consumer Spending QoQ Final	2.5%	2.8%	3.3%
8:30AM	Q1 GDP (%) ★	1.6%	2.5%	3.4%
8:30AM	Apr/20 Jobless claims 4-wk avg (k)	213.25K		214.5K
10:00AM	Mar Pending Home Sales YoY	0.1%		-7%
10:00AM	Mar Pending Home Sales (%) ☆	3.4%	0.3%	1.6%
10:30AM	Apr/19 Nat gas-EIA, change bcf	92Bcf	87Bcf	50Bcf
11:00AM	Apr KC Fed manufacturing	-13		-9
11:00AM	Apr Kansas Fed Composite Index	-8	-5	-7
11:30AM	4-Week Bill Auction	5.275%		5.280%
11:30AM	8-Week Bill Auction	5.275%		5.275%
12:00PM	Apr/24 30-Year Mortgage Rate	7.17%		7.10%
12:00PM	Apr/24 15-Year Mortgage Rate	6.44%		6.39%
1:00PM	7-Year Note Auction	4.716%		4.185%
1:00PM	7-Yr Note Auction (bl) ★	44		
Friday, Apr 26				
8:30AM	Mar Personal Income (%)	0.5%	0.5%	0.3%
8:30AM	Mar Core PCE Inflation (y/y) (%) ★	2.8%	2.6%	2.8%
8:30AM	Mar Core PCE (m/m) (%) ★	0.3%	0.3%	0.3%
8:30AM	Mar PCE (y/y) (%)	2.7%	2.6%	2.5%
8:30AM	Mar Inflation-Adjusted Spending (Consumption) (%)	0.8%	0.6%	0.8%
8:30AM	Mar PCE price index mm (%)	0.3%	0.3%	0.3%
10:00AM	Apr Sentiment: 1y Inflation (%) ☆	3.2%	3.1%	2.9%
10:00AM	Apr Sentiment: 5y Inflation (%) ☆	3%	3%	2.8%

Time	Event	Actual	Forecast	Prior
10:00AM	Apr Michigan Consumer Expectations Final	76	77	77.4
10:00AM	Apr U Mich conditions ☆	79.0	79.3	82.5
10:00AM	Apr Consumer Sentiment (ip) ☆	77.2	77.8	79.4
1:00PM	Apr/26 Baker Hughes Oil Rig Count	506		511
1:00PM	Apr/26 Baker Hughes Total Rig Count	613		619

Recent Housing News








- Mortgage App Volume Declines Across the Board
- Spring New Home Sales Prove Resilient to Higher Rates
- Mortgage App Volume Ticks Higher Despite Higher Rates

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The Case of The Disappearing Rate Cuts

The Fed expected to be able to cut rates 3 times in 2024 as recently as March. Financial markets agreed. But the data that's come out since then has everyone singing a different tune. This week's data was more of an afterthought compared to last week's. The chart above pertains to Fed rate expectations, and that's not exactly the same as longer term rates like mortgages and 10yr Trea...

Mortgage Calculators

-  Mortgage Payment w Amortization
-  Loan Comparison
-  Advanced Loan Comparison
-  Early Payoff
-  Should I Refinance?
-  Rent vs. Buy
-  Blended Rate