

MARKET SUMMARY

Complete Recap of Today's Market Activity

Decent 2yr Auction, But No Major Inspiration For Bonds

Market Summary: Tuesday, June 25, 2024 - 9:23PM

We've increasingly revisited the concept of the "inside day" recently and with 2 days down, we could actually shift gears and to an "inside week." In other words, both yesterday and today's trading ranges can be easily contained inside the trading range established last week. In fact, everything fits in last Tuesday's range, and we'd have to go back yet another week (to CPI/Fed week) to see any actual volatility. That's not a bad thing. It's just a thing. It will change eventually, but it didn't change today. The biggest market mover was Canadian CPI of all things- something we basically never watch or mention, but those are the lengths one must go to on inside weeks. Tomorrow's 5yr Treasury auction could be a bigger player than today's 2yr although the latter did help bonds hold the line without losing more ground.



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Latest Video Analysis



Decent 2yr Auction, But No Major Inspiration For Bonds

MBS & Treasury Markets

UMBS 5.5	98.80	-0.27	10YR	4.330%	+0.082%	6/26/2024 5:00PM EST
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Weakest Levels of The Day, just barely

MBS are now down roughly an eighth of a point from some lenders' rate sheet print times. As such, some of the jumpier lenders could be considering negative reprices.

That said, the losses have been slow, modest, and relatively inconsequential in the bigger picture.

10yr yields are up 2bps at 4.25. Treasuries are trading defensively ahead of the 2yr auction, but not rapidly breaking above their intraday highs.

UPDATE: Some Weakness After Econ Data

MBS MORNING: Slow, Sideways Start

Today's Mortgage Rates

30YR Fixed 7.06% +0.03%

15YR Fixed 6.47% +0.03%

6/26/2024

The Miraculously Sideways Streak Continues

have been flatter than the earth according to the flat earth society. Much like the actual earth in many areas in the middle of the country--and especially Florida--things can be flat for as far as the eye can see, but the farther one moves along, the more they'll see the contour.

For now, though, mortgage rates are in Florida (or IL, ND, MN, etc...). Conventional 30yr fixed rates inched up 0.01% from yesterday--effectively unchanged and in the same tight range of 7.01 to 7.04 seen since last Monday.

Much like the actual geology of the planet, this isn't a conspiracy. It's just the way things are relative to what we can see around us. It will change, but not until markets are forced to confront mountains of more important economic data and events.

Tomorrow's events have only a slightly better chance of forcing the bond market (and thus, mortgage rates) to make bigger moves. Friday continues to be the biggest risk/opportunity, but it's really the following 2 weeks of data that are almost certainly destined to deliver peaks and valleys.

Economic Calendar

Last Week

This Week

Next Week

Time	Event	Actual	Forecast	Prior
Tuesday, Jun 25				
7:00AM	Fed Bowman Speech ☆			
8:30AM	May National Activity Index	0.18		-0.23
8:55AM	Jun/22 Redbook yy (%)	5.3%		5.9%
9:00AM	Apr House Price Index	424.3		423.4
9:00AM	Apr CaseShiller 20 mm nsa (%)	1.4%		1.6%
9:00AM	Apr Case Shiller Home Prices-20 y/y (%) ☆	7.2%	6.9%	7.5%
9:00AM	Apr FHFA Home Price Index m/m (%)	0.2%	0.3%	0.1%
9:00AM	Apr FHFA Home Prices y/y (%) ☆	6.3%		6.7%
10:00AM	Jun CB Consumer Confidence (%) ☆	100.4	100	102
10:00AM	Jun Rich Fed manuf shipments	-9		13
10:00AM	Jun Rich Fed comp. index	-10	2	0
10:00AM	Jun Rich Fed, services index	-11		3
10:30AM	Jun Dallas Fed Services Revenues Index	1.9		6.7
10:30AM	Jun Dallas Fed Services Index	-4.1		-12.1
11:30AM	52-Week Bill Auction (bl)	60		
11:30AM	42-Day Bill Auction (%)	5.250%		5.270%
12:00PM	Fed Cook Speech ☆			

Time	Event	Actual	Forecast	Prior
1:00PM	2-Year Note Auction	4.706%		4.917%
1:00PM	May Money Supply	\$20.96T		\$20.87T
1:00PM	2-Yr Note Auction (bl)	69		
2:10PM	Fed Bowman Speech ☆			
4:30PM	Jun/21 API weekly crude stocks (ml)	0.914M	-3M	2.264M
Wednesday, Jun 26				
7:00AM	Jun/21 Mortgage Market Index	212.0		210.4
7:00AM	Jun/21 MBA Purchase Index	147.8		146.0
7:00AM	Jun/21 MBA Refi Index	552.4		552.7
7:00AM	Jun/21 MBA 30-yr mortgage rate (%)	6.93%		6.94%
7:00AM	Jun/21 MBA Mortgage Applications	0.8%		0.9%
8:00AM	May Build permits: change mm (%)	-2.8%	-3.8%	-3%
8:00AM	May Building permits: number (ml)	1.399M	1.386M	1.440M
10:00AM	May New Home Sales (ml) ☆	0.619M	0.64M	0.634M
10:00AM	May New Home Sales (%) (%)	-11.3%		-4.7%
10:30AM	Jun/21 EIA Refinery Crude Runs Change	-0.233M		-0.282M
10:30AM	Jun/21 EIA Heating Oil Stocks Change	0.406M		0.526M
10:30AM	Jun/21 EIA Distillate Fuel Production Change	0.142M		-0.272M
10:30AM	Jun/21 Crude Oil Inventory (ml)	3.591M	-3M	-2.547M
10:30AM	Jun/21 EIA Distillate Stocks Change	-0.377M	-1.5M	-1.726M
10:30AM	Jun/21 EIA Gasoline Production Change	-0.289M		0.084M
10:30AM	Jun/21 EIA Gasoline Stocks Change	2.654M	-1.1M	-2.28M
10:30AM	Jun/21 EIA Cushing Crude Oil Stocks Change	-0.226M		0.307M
10:30AM	Jun/21 EIA Crude Oil Imports Change	0.065M		-2.48M
11:30AM	2-Yr Note Auction (bl)	28		
11:30AM	17-Week Bill Auction (%)	5.220%		5.220%
11:30AM	2-Year FRN Auction (%)	0.155%		0.139%
1:00PM	5-Year Note Auction	4.331%		4.553%
1:00PM	5-Yr Note Auction (bl) ★	70		
4:30PM	Bank Stress Tests ☆			

Recent Housing News

- Has the Home Price Slide Ended?
- Housing Permits and Starts Drift Lower
- Purchase Activity Rises, MBA Forecasts More of Same

June Shaping Up Nicely, But Bigger Tests Are Yet to Come

After a rocky start to the year, things began to improve for rates and the inflation outlook in May. June took the improvement to the next level, but this week didn't affect the bigger picture. Ahead of Wednesday's market closure for Juneteenth, the most relevant economic report was Retail Sales on Tuesday morning. It came in slightly below forecast and the previous month was revised lowe...

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