

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Ultimately a Very Drama-Free Day; Back to Watching Data

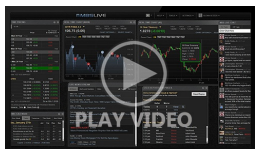
Market Summary: Wednesday, July 3, 2024 - 11:25AM

Tuesday helped buck the recent trend of frustratingly counterintuitive selling sprees in the bond market. The amount of blame assigned to politics or to the arcane practices dictating monthly positioning in bonds can be debated, but there's less urgency on that front with today bringing moderate improvement. Fed Chair Powell's appearance at SINTRA was a non-event, but perhaps in a "no whammies" sort of way. Bonds gradually improved during his time on stage but lost some ground after the JOLTS data (as it should be, considering the higher than expected reading). Buyers held firm, however, and we hit the close with gains intact. To some, that's proof positive that there's no glacial repricing of risk following the presidential debate. To others, it's a suggestion that it didn't matter as much as it may have seemed. Either way, we have big ticket data to look forward to in the next two business days.

### Market Movement Recap

08:39 AM Flat overnight and stronger in early trading. MBS up 1 tick (0.03). 10yr down 2.6bps at 4.406

### Latest Video Analysis



Bonds Getting Back to Basics



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UMBS 6.0	100.39	+0.19	10YR	4.360%	-0.072%	7/3/2024 3:25PM EST
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### Additional Gains After ISM Data

- ISM Services
  - 48.8 vs 52.5 f'cast, 53.8 prev
- ISM employment
  - 46.1 vs 47.1
- ISM New Orders
  - 47.3 vs 54.1 (big miss)
- ISM Prices
  - 56.3 vs 56.7 f'cast, 58.1 prev
- ISM Biz Activity
  - 49.6 vs 61.2 prev (big change)

ISM Services tends to be the bigger of the two ISM reports in terms of market movement and today's is holding true to that trend. This was weaker across the board, resulting in a logical bond rally. If the "prices" component had dropped more, we'd likely be seeing an even bigger rally, but the huge drop in biz activity and new orders are forward looking indicators that suggest a shift in economic trends.

10yr yields are down 7bps at 4.363 and MBS are up just over a quarter point.

**UPDATE:** Modestly Stronger After First Round of Data

**MBS MORNING:** Bond Selling Spree Thinking About Taking a Day Off

## Today's Mortgage Rates

30YR Fixed 7.08% -0.05% | 15YR Fixed 6.45% -0.02% 7/3/2024

### Mortgage Rates Finally Find a Ceiling, For Now

As is often the case with internet headlines these days, the headline overstates the reality on the ground--or at least over-dramatizes it.

Considering the last notable "ceiling" was seen less than a month ago and that the last short term ceiling, less than a week ago, the word "finally" probably doesn't apply. And then there's the word "ceiling" itself. In this case, it's used only because there isn't one convenient word to say "a day where moved at least slightly lower after 2 or more days spent moving noticeably higher."

In other words, that happened today.

It's refreshing or reassuring any time rates stop moving higher after a somewhat abrupt jump remains in place for more than a day. In the current case, the past two days merely look like slightly bigger continuations of a gentle uptrend in rates that's been in place since mid June.

From here, economic data will take center stage with important reports on each of the remaining two mornings of this week (Thursday is closed for Independence Day). Of those, it's Friday's jobs report that has far more power to cause volatility.

## Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
<b>Wednesday, Jul 03</b>				
7:00AM	Jun/28 Mortgage Market Index	206.5		212.0
7:00AM	Jun/28 MBA Purchase Index	142.9		147.8
7:00AM	Jun/28 MBA Refi Index	544.1		552.4
7:00AM	Jun/28 MBA Mortgage Applications	-2.6%		0.8%
7:00AM	Jun/28 MBA 30-yr mortgage rate (%)	7.03%		6.93%
7:00AM	Fed Williams Speech ☆			
7:30AM	Jun Challenger layoffs (k)	48.786K		63.816K
8:15AM	Jun ADP jobs (k) ☆	150K	160K	152K
8:30AM	May Trade Gap (bl)	\$-75.1B	\$-76.2B	\$-74.6B
8:30AM	May Exports	\$261.7B		\$263.7B
8:30AM	May Imports	\$336.7B		\$338.2B
8:30AM	Jun/29 Jobless claims 4-wk avg (k)	238.5K		236K
8:30AM	Jun/29 Jobless Claims (k) ☆	238K	235K	233K
8:30AM	Jun/22 Continued Claims (ml)	1858K	1840K	1839K
9:45AM	Jun S&P Global Composite PMI ☆	54.8	54.6	54.5

Time	Event	Actual	Forecast	Prior
9:45AM	Jun S&P Global Services PMI ★★	55.3	55.1	54.8
10:00AM	Jun Total Vehicle Sales (ml)		15.8M	15.9M
10:00AM	May Factory orders mm (%)	-0.5%	0.2%	0.7%
10:00AM	May Factory ex-transp mm (%)	-0.7%	0.3%	0.7%
10:00AM	Jun ISM Services Prices	56.3	56.7	58.1
10:00AM	Jun ISM Services New Orders	47.3	53.6	54.1
10:00AM	Jun ISM Services Employment	46.1	49.0	47.1
10:00AM	Jun ISM Biz Activity ★	49.6		61.2
10:00AM	Jun ISM N-Mfg PMI ★★	48.8	52.5	53.8
10:00AM	8-Week Bill Auction	5.275%		5.260%
10:00AM	4-Week Bill Auction	5.280%		5.270%
10:30AM	Jun/28 EIA Heating Oil Stocks Change	-0.572M		0.406M
10:30AM	Jun/28 EIA Gasoline Stocks Change	-2.214M	-1M	2.654M
10:30AM	Jun/28 EIA Gasoline Production Change	0.18M		-0.289M
10:30AM	Jun/28 EIA Distillate Stocks Change	-1.535M	-1.1M	-0.377M
10:30AM	Jun/28 EIA Cushing Crude Oil Stocks Change	0.345M		-0.226M
10:30AM	Jun/28 EIA Distillate Fuel Production Change	0.204M		0.142M
10:30AM	Jun/28 Crude Oil Inventory (ml)	-12.157M	-0.90M	3.591M
10:30AM	Jun/28 EIA Crude Oil Imports Change	-0.555M		0.065M
10:30AM	Jun/28 EIA Refinery Crude Runs Change	0.26M		-0.233M
11:30AM	17-Week Bill Auction (%)	5.205%		5.220%
12:00PM	Jul/02 15-Year Mortgage Rate	6.25%		6.16%
12:00PM	Jun/28 Nat gas-EIA, change bcf	32Bcf	29Bcf	52Bcf
12:00PM	Jul/03 30-Year Mortgage Rate	6.95%		6.86%
2:00PM	Happy 4th!! ★★			
2:00PM	FOMC Minutes ★★			
8:00PM	Juneteenth			
<b>Thursday, Jul 04</b>				
12:00AM	Happy 4th!! ★★			








## Recent Housing News

- Refinance Volume Proves Brighter than Last Year
- Inventories Expand as New Home Sales Fall
- Mortgage Application Volume Not Impressed by Lower Rates

## Slow Start for Rates Gives Way to Volatility With More to Come Next Week

The week began with a distinct absence of interest rate volatility, but things changed in a big way by Friday--at least compared to the previous week which was exceptionally quiet. In the bigger picture, however, it was just another week that felt volatility in the short term due to a surprising rate spike on Friday. Incidentally, the fact that this week's rate spike occurred...

### Mortgage Calculators

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