

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Two Kinds of Flat

Market Summary: Tuesday, July 16, 2024 - 2:58PM

Retail Sales was/is the biggest data point of the week and it came out perfectly unchanged. This was as-expected according to some data aggregators and stronger than expected according to others. Perhaps more importantly, some of the closely watched internals were much stronger. For example, excluding autos and gas, retail sales rose 0.8% versus 0.3% last month and forecasts of 0.1%. This helps the flat headline look stronger than expected. It is also resulting in a flat morning for MBS, which marks a loss of roughly 6 ticks (.19) in MBS versus opening levels. Technically, bonds are still in modestly stronger territory due to solid overnight gains. The rest of the day will be spent fighting to hold just inside positive territory and that would be a good victory in the bigger picture considering rates are at 5 months lows.

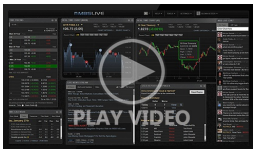
### Market Movement Recap

08:35 AM MBS are back to unchanged levels. 10yr yields are down 3.2 bps at 4.20%.

11:06 AM Doing a decent job holding in positive territory now. MBS up 3 ticks (.09). 10yr down 3.7bps at 4.196.

02:03 PM Treasuries back at best levels, down 6bps at 4.173. MBS up an eighth.

### Latest Video Analysis



The Sun Also Sets on Bond Rallies



Ryan and Jaime  
Ingram

Husband and Wife  
Mortgage Team, Interstate  
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INTERSTATE  
MORTGAGE SERVICE

UMBS 6.0 101.05 +0.08 | 10YR 4.167% -0.066% 7/16/2024 2:57PM EST

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**ALERT:** Giving up Overnight Gains Despite As-Expected Retail Sales

**ALERT:** MBS at Lows, But Reprice Risk is Modest at Best

### Today's Mortgage Rates

30YR Fixed 6.84% +0.03% | 15YR Fixed 6.30% +0.00% 7/16/2024

### Mortgage Rates' Impressive Winning Streak Faces Increasing Resistance

We occasionally reference 5 day winning streaks for as the sort of uncommon occurrence that greatly increases the odds of at least a temporary pullback. Longer streaks do happen, but odds of a pullback increase sharply after 8 days.

With all that in mind, today marked the 8th straight day of improvement in mortgage rates.

Does this mean we're destined to see rates move higher tomorrow? Not necessarily. First off, we can never be sure we're destined to see any particular outcome when it comes to the simple question of whether rates will move higher or lower over such a definite time frame.

Perhaps more interesting is the fact that the underlying bond market (rates are a factor of bond prices) has already seen a mild pullback that began shortly after last Thursday's inflation data. It was just mild enough that the average mortgage lender was able to avoid increasing rates since then.

Last but not least, rather than rely on precedent in the absence of context, we should consider that rates have been responsive to a small group of important economic reports. While it's not on the same level as last week's inflation data, tomorrow's Retail Sales data is one such report. Simply put, there's no magic rule that would preclude a 9 day winning streak if Retail Sales happened to fall far enough below forecasts. Conversely, if the data is surprisingly strong, rates would likely rise and it would have nothing to do with the low odds of 9 day winning streaks.

Time	Event	Actual	Forecast	Prior
<b>Tuesday, Jul 16</b>				
8:30AM	Jun Export prices mm (%)	-0.5%	-0.1%	-0.6%
8:30AM	Jun Export Prices YoY	0.7%	1%	0.6%
8:30AM	Jun Retail Sales Ex Gas/Autos MoM	0.8%	0.2%	0.1%
8:30AM	Jun Retail Sales YoY	2.3%		2.3%
8:30AM	Jun Retail Sales (%) ★★	0%	0%	0.1%
8:30AM	Jun Retail Sales (ex-autos) (%)	0.4%	0.1%	-0.1%
8:30AM	Jun Import Prices YoY	1.6%	1%	1.1%
8:30AM	Jun Import prices mm (%)	0%	0.2%	-0.4%
8:55AM	Jul/13 Redbook yy (%)	4.8%		6.3%
10:00AM	May Retail Inventories Ex Autos MoM Adv	0%		0.2%
10:00AM	May Business Inventories (%) ☆	0.5%	0.3%	0.3%
10:00AM	Jul NAHB housing market indx ☆	42	44	43
11:30AM	26-Week Bill Auction (bl)	70		
11:30AM	42-Day Bill Auction (%)	5.265%		5.270%
2:45PM	Fed Kugler Speech ☆			
4:30PM	Jul/12 API weekly crude stocks (ml)	-4.44M		-1.9M
<b>Wednesday, Jul 17</b>				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
7:00AM	Jul/12 MBA 30-yr mortgage rate (%)			7%
7:00AM	Jul/12 MBA Mortgage Applications			-0.2%
7:00AM	Jul/12 Mortgage Market Index			206.1
7:00AM	Jul/12 MBA Purchase Index			144.3
7:00AM	Jul/12 MBA Refi Index			532.3
8:30AM	Jun Housing starts number mm (ml)		1.31M	1.277M
8:30AM	Jun Building permits: number (ml)		1.39M	1.399M
8:30AM	Jun Build permits: change mm (%)			-2.8%
8:30AM	Jun House starts mm: change (%)			-5.5%
9:00AM	Fed Barkin Speech ☆			
9:15AM	Jun Capacity Utilization (%)		78.6%	78.2%
9:15AM	Jun Industrial Production (%) ☆		0.3%	0.7%
9:15AM	Jun Manufacturing Production YoY			-0.3%
9:15AM	Jun Industrial Production YoY			0.1%
9:15AM	Jun Manufacturing Production MoM			0.6%
9:35AM	Fed Waller Speech ☆			
10:30AM	Jul/12 EIA Heating Oil Stocks Change			0.356M

Time	Event	Actual	Forecast	Prior
10:30AM	Jul/12 EIA Gasoline Stocks Change			-2.006M
10:30AM	Jul/12 EIA Gasoline Production Change			0.239M
10:30AM	Jul/12 EIA Distillate Stocks Change			4.884M
10:30AM	Jul/12 Crude Oil Inventory (ml)			-3.444M
10:30AM	Jul/12 EIA Cushing Crude Oil Stocks Change			-0.702M
10:30AM	Jul/12 EIA Distillate Fuel Production Change			0.022M
10:30AM	Jul/12 EIA Crude Oil Imports Change			0.615M
10:30AM	Jul/12 EIA Refinery Crude Runs Change			0.317M
11:30AM	17-Week Bill Auction (%)			5.195%
1:00PM	20-Yr Bond Auction (bl) ★	13		
1:00PM	20-Year Bond Auction			4.452%
2:00PM	Fed Beige Book			

## Recent Housing News

- Higher Rates Suppress Mortgage Application Volume
- Refinance Volume Proves Brighter than Last Year
- Inventories Expand as New Home Sales Fall

## Read My Latest Newsletter

## Sharply Lower Inflation Brings Fed Rate Cuts Into Focus

There was a lot riding on this week's economic data and it delivered in a big way. The Consumer Price Index (CPI) has had the biggest influence on interest rates of any of the scheduled monthly economic reports, and for good reason. It is one of the two biggest and most detailed inflation reports on any given month, and it comes out about 2 weeks before the other one. That's incredibly im...

## Mortgage Calculators

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