

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Uneventful Day, But That's a Victory These Days

Market Summary: Wednesday, October 16, 2024 - 8:19AM

Last week's bond market action offered some glimmers of hope that the most recent jobs report wouldn't cause ongoing momentum toward higher rates, but yields nonetheless hit their highest levels on Thu/Fri. Today is a victory in that context as bonds moved back into the lower half of last week's trading range and all without any major market movers in play. To be fair to the NY Fed Manufacturing index, it was a market mover and it did help set a rate-friendly tone out of the gate. That said, the move looked more like a yield curve adjustment as opposed to a widespread bond rally (i.e. 30yr yields dropped 9bps while 2yr yields were basically unchanged). Thursday AM's data is higher consequence.

### Latest Video Analysis



Uneventful Day, But That's a Victory These Days



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### MBS & Treasury Markets

UMBS 5.5	100.41	+0.10	10YR	4.014%	-0.019%	10/16/2024 5:00PM EST
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## Stronger Start to Holiday-Shortened Week

Bonds moved into stronger territory over the 3 day weekend in a move largely attributed to de-escalation in the Middle East and the sharp drop in oil prices that followed. Oil and bonds are far from perfectly correlated, but big moves in the former often get at least some attention from the latter. Gains were modest by the start of trading today but the weaker NY Fed Manufacturing data helped facilitate some additional buying.

**ALERT:** MBS Down Just Over an Eighth From Highs

**MBS MORNING:** No Whammies in The Data

Today's Mortgage Rates

30YR Fixed	6.63%	+0.01%	15YR Fixed	6.07%	+0.00%	10/16/2024
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Mortgage Rates Sideways to Slightly Lower

The average mortgage lender is quoting rates that are just a fraction of a hair lower today compared to last Friday. Lenders were either closed or otherwise not able to update rates yesterday due to the Federal holiday.

Anything other than "higher" is a victory recently. Rate jumped at the 2nd fastest pace of the year after the jobs report that was released on Friday, October 4th, and continued moving higher through last Wednesday. They've calmed down since then, but they haven't made any meaningful progress back toward the lower levels seen a few weeks ago.

Context matters. In the short term, it would be easy to lament the fact that rates are up about 0.50% in about a month. But if we merely look back to early April, rates are still down the better part of 1 percent. In year over year terms, the improvement is about 1.4%. That's a very solid pace under any circumstances, but especially in the absence of the onset of a recession.

Today was uneventful in terms of bond market movement and intraday rate changes from mortgage lenders. Bigger swings will likely depend on bigger economic reports and there are only a few heavy hitters on the calendar each month. This week's only notable contender is the Retail Sales report on Thursday morning at 8:30am ET. This doesn't mean rates can't move at all between now and then--simply that Retail Sales has the best chance to inspire bigger movement.

Time	Event	Actual	Forecast	Prior
Wednesday, Oct 16				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
7:00AM	Oct/11 MBA Purchase Index	138.4		149.2
7:00AM	Oct/11 MBA Refi Index	734.6		997.3
8:30AM	Sep Import prices mm (%)	-0.4%	-0.4%	-0.3%
8:30AM	Sep Export prices mm (%)	-0.7%	-0.4%	-0.7%
11:30AM	17-Week Bill Auction (%)	4.420%		4.430%
4:30PM	Oct/11 API weekly crude stocks (ml)	-1.58M	2.3M	10.9M
Thursday, Oct 17				
8:30AM	Oct/05 Continued Claims (ml)	1867K	1870K	1861K
8:30AM	Oct/12 Jobless Claims (k) ★	241K	260K	258K
8:30AM	Oct Philly Fed Business Index ☆	10.3	3	1.7
8:30AM	Oct Philly Fed Prices Paid	29.70		34.00
8:30AM	Sep Retail Sales (%) ★	0.4%	0.3%	0.1%
9:15AM	Sep Industrial Production (%) ☆	-0.3%	-0.2%	0.8%
10:00AM	Aug Business Inventories (%) ☆	0.3%	0.3%	0.4%
10:00AM	Oct NAHB housing market indx ☆	43	42	41
11:00AM	Fed Goolsbee Speech ☆			
11:00AM	Oct/11 Crude Oil Inventory (ml)	-2.192M	2.3M	5.81M

### Recent Housing News

- Purchase Applications Respond to Another Small Rate Dip
- Pending Home Sales Set a New Record, but not in a Good Way
- Mortgage Apps Stall as Borrowers Seem to be Waiting on Fed

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## Lots of Confusion About Recent Rate Movement. Let's Clear it up

It's been frustrating and potentially confusing to see mortgage rates move consistently higher after the Fed's September 18th rate cut, but the Fed has nothing to do with the big rate spike of the past few weeks. The Fed's rate cut wasn't even the reason that rates went higher in the last part of September, but it was a big part of the reason that interest rates moved so much lower in the precedin...

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