

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Bonds Doing What Bonds Do

Market Summary: Monday, October 28, 2024 - 10:35PM

Another week, another chance for bonds to do the only thing it seems like they know how to do recently: sell off. It actually didn't look like a foregone conclusion this morning. Bonds were only slightly weaker overnight and managed to move into positive territory in the first hour and a half of domestic trading. After that, the selling was consistent and directional for the rest of the AM hours. A combination of Treasury auction indigestion and ongoing pre-election positioning can broadly be blamed, but without the normal level of correlation between singular big ticket data releases or news headlines and market movement, we'd take most assessments with a grain of salt when it comes to "what's moving markets."

### Latest Video Analysis



Bonds Doing What Bonds Do



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### MBS & Treasury Markets

UMBS 5.5	99.27	+0.29	10YR	4.255%	-0.027%	10/29/2024 5:00PM EST
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## Negative Reprices Becoming More Likely

MBS have lost more than an eighth of a point since the last alert. They're now down a quarter point on the day and almost 3/8ths from the AM highs. This makes negative reprices increasingly likely for many lenders.

10yr yields are quickly up 5bps to 4.293.

**ALERT:** MBS Down More Than an Eighth From Highs

**MBS MORNING:** Here Comes The Data (Starting Tomorrow)

## Today's Mortgage Rates

30YR Fixed 7.03% +0.03%

15YR Fixed 6.49% +0.02%

10/29/2024

### Mortgage Rates Back to 7%

It's no mystery that we have had a terrible October. As of last Friday, the average lender's top tier 30yr fixed rates were up to 6.90--an increase of more than 0.625% this month. Today's 0.10% increase brings the rate index up to 7.0% exactly which is the highest we've seen since July 10th.

The relatively larger size of today's jump is partly due to the timing of bond market weakness last Friday. Mortgage rates are based on bonds and mortgage lenders can make mid-day adjustments when bonds move enough during the day. The later in the day, the more likely it becomes that lenders will wait for the following day to adjust rates.

All that having been said, there was definitely new weakness today. Some of it can be traced to the Treasury auction process. Election odds are also assumed to be having an impact with the prevailing correlation between higher rates and better odds for a Trump victory.

While we should expect the election to continue making for a volatile rate environment, it's not the only game in town. This week sees the return of highly relevant economic data with Friday's jobs report being the most important, by far. Each of the past two jobs reports has had a huge impact on rates due to wide deviations from expectations. If Friday's report is anywhere nearly as surprising, the impact on rates should play out on a similar scale.

## Economic Calendar

Last Week

This Week

Next Week

Time	Event	Actual	Forecast	Prior
<b>Monday, Oct 28</b>				
10:30AM	Oct Dallas Fed Manufacturing Index	-3.0		-9.0
11:30AM	6-Month Bill Auction	4.325%		4.310%
11:30AM	2-Year Note Auction	4.130%		3.520%
11:30AM	2-Yr Note Auction (bl)	69		
11:30AM	26-Week Bill Auction (bl)	72		
1:00PM	26-Week Bill Auction (bl)	81		
1:00PM	3-Month Bill Auction	4.49%		4.51%
1:00PM	5-Year Note Auction	4.138%		3.519%
1:00PM	5-Yr Note Auction (bl) ★	70		
3:00PM	Treasury Refunding Financing Estimates (%)			
<b>Tuesday, Oct 29</b>				
8:30AM	Sep Goods Trade Balance Adv	\$-108.23B	\$-96.1B	\$-94.26B
8:30AM	Sep Wholesale inventories mm (%) ☆	-0.1%	0.2%	0.1%
8:30AM	Sep Retail Inventories Ex Autos MoM Adv	0.1%		0.5%
8:55AM	Oct/26 Redbook yy (%)	5.6%		4.6%
9:00AM	Aug House Price Index	427.0		425.2
9:00AM	Aug FHFA Home Prices y/y (%) ☆	4.2%		4.5%
9:00AM	Aug CaseShiller 20 mm nsa (%)	-0.3%		0%
9:00AM	Aug Case Shiller Home Prices-20 y/y (%) ☆	5.2%	5.1%	5.9%
9:00AM	Aug FHFA Home Price Index m/m (%)	0.3%	0.2%	0.1%
10:00AM	Oct CB Consumer Confidence (%) ☆	108.7	99.5	98.7
10:00AM	Sep JOLTs Job Quits ☆	3.071M		3.084M
10:00AM	Sep USA JOLTS Job Openings ★	7.443M	7.99M	8.04M
10:30AM	Oct Dallas Fed Services Index	2.0		-2.6
10:30AM	Oct Dallas Fed Services Revenues Index	9.2		10.1
11:30AM	26-Week Bill Auction (bl)	80		
11:30AM	52-Week Bill Auction	4.100%		3.780%
11:30AM	52-Week Bill Auction (bl)	48		
11:30AM	42-Day Bill Auction (%)	4.630%		4.650%
1:00PM	2-Year FRN Auction (%)	0.205%		0.261%
1:00PM	7-Year Note Auction	4.215%		3.668%
1:00PM	2-Yr Note Auction (bl)	30		
1:00PM	7-Yr Note Auction (bl) ★	44		
4:30PM	Oct/25 API weekly crude stocks (ml)	-0.573M	2.3M	1.643M

## Recent Housing News








- Existing Home Sales Update: Still Bad
- Mortgage Apps Aren't Crashing. They're Just Being Logical
- Mixed Signals in New Home Construction Data

## Read My Latest Newsletter

### November Volatility Shows Up Early And Next Week Could Be Even Crazy

Last week's newsletter warned that it was time to start thinking about incredibly high volatility potential due to events in the first few days of November. But as far as interest rates are concerned, the volatility is already here. Rates jumped sharply higher to start the new week in a move that still has market watchers scratching their heads. Some analysts pointed to election odds as a...

## Mortgage Calculators

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