

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Election Remains Dominant Source of Volatility

Market Summary: Monday, November 4, 2024 - 7:23PM

While the average day of the past few weeks has involved election odds pushing yields higher, today was quite the opposite. There's some debate as to whether it was polling or betting market odds that got the markets attention, but less debate about the nature of the ifs and thens at a broad level. A modicum of lower certainty of a Trump victory was the catalyst. It was a spark that didn't need to burn for long in this environment characterized by excessive dry powder for volatility. Bonds thought better of the overnight rally by mid-day, but not enough to undo the gains. Ultimately, yields ended right about where they were before Friday's jobs report. Exciting stuff for today, but boring in the bigger picture.



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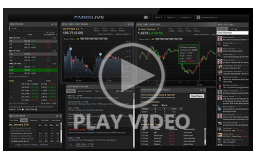
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Company NMLS 1925754

### Market Movement Recap

- 09:48 AM Much stronger overnight on shifting election odds. MBS up 3/8ths and 10yr down 11.3bps at 4.281.
- 11:21 AM Losing ground since 10am. Still much stronger on the day with MBS up a quarter point and 10yr down 9.3bps at 4.301
- 01:33 PM New lows, still up 5 ticks (.16) on the day, but down a quarter point from highs. 10yr down 7.2bps at 4.322, but up from lows of 4.262
- 04:08 PM Off the lows from the last update. MBS up 9 ticks (.28) and 10yr down 9.7bps at 4.297.

### Latest Video Analysis



Election Remains Dominant Source of Volatility

## MBS & Treasury Markets

UMBS 5.5 99.19 +0.33 | 10YR 4.279% -0.115% 11/4/2024 5:00PM EST

### New Lows For MBS

Bonds continue correcting after the big overnight rally. MBS were already just over an eighth of a point off the AM highs at the time of the last alert. They've since lost nearly another eighth. Some lenders are seeing a quarter point of weakness since AM rate sheet print times and are thus increasingly considering negative reprices.

10yr yields are still down 7 bps on the day at 4.323, but up from lows of 4.262.

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

**MBS MORNING:** When is a Rally Not a Rally? (Explaining "Big" Overnight Move)

## Today's Mortgage Rates

30YR Fixed 7.05% -0.04% | 15YR Fixed 6.40% -0.09% 11/4/2024

### Mortgage Rates Start Week Slightly Lower as Election Volatility Works Both Ways

Love it or hate it, election-related volatility has been having a big impact on the bond market and, thus, . Most of the volatility has resulted in higher rates, but there was an exception over the weekend. Due to a combination of shifting odds in betting markets and among pollsters, rates recovered a portion of the ground lost last week.

Mortgage rates didn't react in an extreme fashion, but the average lender moved back down toward 7% for a top tier conventional 30yr fixed scenario. The same scenario was closer to 7.125% late last week.

To whatever extent we've seen election-related volatility so far, it's a fair expectation that we'll see follow-through after a winner is confirmed. Our best read on prevailing sentiment is that a Trump victory will cause rates to move even higher whereas a Harris victory would lead to a friendly correction. This is based on an assessment of how bonds have moved relative to several measures of election odds in addition to feedback and commentary from a substantial majority of analysts and traders.

NOTE: these are only the outcomes associated with the immediate future. No one really knows how rates would fare in the longer term. There are scenarios where rates could move lower in a Trump administration and higher in a Harris administration.

Time	Event	Actual	Forecast	Prior
<b>Monday, Nov 04</b>				
10:00AM	Sep Factory ex-transp mm (%)	0.1%		-0.1%
10:00AM	Sep Factory orders mm (%)	-0.5%	-0.4%	-0.2%
11:30AM	26-Week Bill Auction (bl)	81		
11:30AM	6-Month Bill Auction	4.260%		4.325%
11:30AM	3-Month Bill Auction	4.440%		4.49%
11:30AM	26-Week Bill Auction (bl)	72		
1:00PM	3-Year Note Auction	4.152%		3.878%
1:00PM	3-Yr Note Auction (bl)	58		
<b>Tuesday, Nov 05</b>				
5:30AM	Oct LMI Logistics Managers Index Current			58.6
7:00AM	Presidential Election (%) ★★			
8:30AM	Sep Imports			\$342.2B
8:30AM	Sep Trade Gap (bl)		\$-84.1B	\$-70.4B
8:30AM	Sep Exports			\$271.8B
8:55AM	Nov/02 Redbook yy (%)			5.6%
9:45AM	Oct S&P Global Composite PMI ☆		54.3	54.0
9:45AM	Oct S&P Global Services PMI ★★		55.3	55.2
10:00AM	Oct ISM N-Mfg PMI ★★		53.8	54.9
10:00AM	Oct ISM Biz Activity ★			59.9
10:00AM	Oct ISM Services Employment			48.1
10:00AM	Oct ISM Services New Orders			59.4
10:00AM	Oct ISM Services Prices			59.4
11:00AM	Oct Total Vehicle Sales (ml)	16.2M	15.6M	15.8M
11:30AM	26-Week Bill Auction (bl)	80		
11:30AM	42-Day Bill Auction (%)			4.630%
1:00PM	10-Year Note Auction ★			4.066%
1:00PM	10-yr Note Auction (bl) ★		42	
4:30PM	Nov/01 API weekly crude stocks (ml)		-0.9M	-0.573M

## 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

## Rates Refuse to Drop Ahead of Election. How About After?

This newsletter strictly avoids politics except in cases where the political realm legitimately intersects with relevant events for housing and rates. Now is clearly one of those times. The discussion that follows contains no opinion or partisan leaning. Before getting started, let's catch up with mortgage rates. Things haven't been great and much of the media coverage focuses on Freddie ...

### Mortgage Calculators

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