

MARKET SUMMARY

Complete Recap of Today's Market Activity

Back to Regularly Scheduled Programming (Unfortunately)

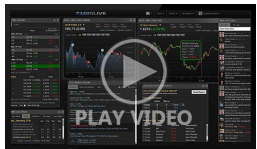
Market Summary: Tuesday, November 12, 2024 - 5:19PM

Bonds sold off on Tuesday both during the domestic session and in the overnight hours leading up to it. Motivations are a matter of conjecture as there is not a conveniently obvious scapegoat. That hasn't stopped journalists, analysts, and traders from chiming in. The resulting laundry list mostly includes political considerations ranging from specific revelations regarding cabinet appointees to generalizations about the market continuing to process fiscal implications. We'd certainly add a high likelihood of [positional](#) considerations with last Thu/Fri now looking very much like an opportunity to cover shorts (makes yields move lower) and get neutral ahead of the 3-day weekend before getting yields back in line with post-election highs today.

Market Movement Recap

- 08:41 AM Bonds move sharply weaker overnight and in early trading. 10yr up 8.4bps at 4.389 and MBS down 13 ticks (.41)
- 11:59 AM MBS are down 14 ticks (.44) on the day and just over an eighth of a point from the AM highs. 10yr yields are up 10.7bps at 4.413.
- 03:27 PM Weakest levels of the day for MBS, down nearly 5/8ths of a point. 10yr up 13bps at 4.437

Latest Video Analysis



Back to Regularly Scheduled Programming (Unfortunately)



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UMBS 5.5 98.92 -0.59 | 10YR 4.428% +0.122% 11/12/2024 5:00PM EST

New Lows for MBS, New Highs for Treasury Yields

Bonds have been selling off in fits and starts after an initial recovery at the NYSE open. That lasted all of 30 minutes and the selling has been linear since then.

MBS are down 14 ticks (.44) on the day and just over an eighth of a point from the AM highs. The jumpiest lenders could be considering a negative reprice, but most would be waiting to see 2-3 ticks (.06-.09) of additional weakness.

10yr yields are up 10.7bps at 4.413.

MBS MORNING: Two Ways to Look At This Morning's Sell-Off

ALERT: New Lows of The Day For MBS

Today's Mortgage Rates

30YR Fixed 7.02% +0.10% | 15YR Fixed 6.39% +0.02% 11/12/2024

Mortgage Rates Jump Back Above 7%

Last Thursday and Friday offered some hope that the persistent move to higher rates was finally leveling off. It wasn't necessarily a rational hope, but if nothing else, it was "nice" to see the average 30yr fixed move back below 7%. Even then, we cautioned against viewing the recovery as indicative of ongoing success. Now today, we see why.

Bonds (which dictate rates) have moved swiftly back into the weaker territory that precipitated the move over 7% in . As such, it's no surprise to see the average lender easily back into the 7s. For context, rates were as high as 7.5% in April and 8.0% at their long-term peak roughly a year ago.

As for motivations, the market continues to work through election-related volatility. That involves a complex set of considerations. Some of them have to do with actual expectations for changes in fiscal policy in the coming years. Some of the considerations are as simple as traders going through the process of exiting (and re-setting) trading positions heading into the election.

Motivations aside, it continues to be the case that would need to see significant weakness in economic data and a stronger move toward lower inflation in order for any real progress. Tomorrow morning brings the first of the week's big data points in the form of the Consumer Price Index (CPI)--an inflation report with a solid track record of inspiring reactions in rates.

| Time | Event | Actual | Forecast | Prior |
|--------------------------|--|--------|--------------|---------|
| Tuesday, Nov 12 | | | | |
| 6:00AM | Oct NFIB Business Optimism Index | 93.7 | 91.9 | 91.5 |
| 8:55AM | Nov/09 Redbook yy (%) | 4.8% | | 6% |
| 10:00AM | Fed Waller Speech ☆ | | | |
| 10:10AM | Nov IBD economic optimism | 53.2 | 47.3 | 46.9 |
| 10:15AM | Fed Barkin Speech ☆ | | | |
| 10:30AM | NY Fed Treasury Purchases 1 to 2.5 yrs (%) | | \$75 million | |
| 11:00AM | Oct Consumer Inflation Expectations ☆ | 2.9% | | 3% |
| 11:30AM | 52-Week Bill Auction (bl) | 72 | | |
| 11:30AM | 26-Week Bill Auction (bl) | 81 | | |
| 11:30AM | 3-Month Bill Auction | 4.420% | | 4.440% |
| 11:30AM | 6-Month Bill Auction | 4.310% | | 4.260% |
| 1:00PM | 52-Week Bill Auction (bl) | 80 | | |
| 1:00PM | 42-Day Bill Auction (%) | 4.555% | | 4.550% |
| 2:00PM | Fed Kashkari Speech ☆ | | | |
| 2:00PM | Loan Officer Survey | | | |
| 5:00PM | Fed Harker Speech ☆ | | | |
| 5:30PM | Fed Barkin Speech ☆ | | | |
| Wednesday, Nov 13 | | | | |
| 12:00AM | Roll Date - UMBS 30YR | | | |
| 7:00AM | Nov/08 Mortgage Market Index | | | 191.4 |
| 7:00AM | Nov/08 MBA Mortgage Applications | | | -10.8% |
| 7:00AM | Nov/08 MBA 30-yr mortgage rate (%) | | | 6.81% |
| 7:00AM | Nov/08 MBA Purchase Index | | | 130.8 |
| 7:00AM | Nov/08 MBA Refi Index | | | 513.5 |
| 8:30AM | Oct CPI index, nsa | | 315.59 | 315.30 |
| 8:30AM | Oct Core CPI index, sa | | | 314.686 |
| 8:30AM | Oct m/m Headline CPI (%) ★ | | 0.2% | 0.2% |
| 8:30AM | Oct y/y Headline CPI (%) ☆ | | 2.6% | 2.4% |
| 8:30AM | Oct y/y CORE CPI (%) ★★ | | 3.3% | 3.3% |
| 8:30AM | Oct m/m CORE CPI (%) ★★★ | | 0.3% | 0.3% |
| 9:45AM | Fed Logan Speech ☆ | | | |
| 11:00AM | Q3 Total Household Debt | | | \$17.8T |
| 11:30AM | 17-Week Bill Auction (%) | | | 4.410% |
| 1:00PM | Fed Musalem Speech ☆ | | | |
| 1:30PM | Fed Schmid Speech ☆ | | | |

| Time | Event | Actual | Forecast | Prior |
|--------|-------------------------------------|--------|----------|--------|
| 2:00PM | Oct Federal budget, \$ (bl) | | \$-211B | \$64B |
| 4:30PM | Nov/08 API weekly crude stocks (ml) | | | 3.132M |

Recent Housing News








- Mortgage Demand Regressing Amid Rapid Rate Spike
- Existing Home Sales Update: Still Bad
- Mortgage Apps Aren't Crashing. They're Just Being Logical

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How The Election and The Fed Impacted Rates

Mortgage rates spent the entire month of October moving higher at a fairly quick pace. Some of that had to do with stronger economic data, but at least as much had to do with the bond market (bonds dictate rates) adjusting to election probabilities. As we've been advising in recent weeks, the consensus was that a Trump victory (or improved odds thereof) was associated with upward pressure on rates...

Mortgage Calculators

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