

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Morning Rally Largely Erased. Why?

Market Summary: Thursday, November 14, 2024 - 1:16AM

Bonds began the day in modestly weaker territory but quickly rallied after the CPI data. The rally was informative, both in terms of its moderate size and high volume. It reinforced our assumption that inflation data was back on the menu of big ticket market movers after taking a distant back seat to the jobs report. The initial reaction was short-lived though. Gains only stuck around for the shortest-term bonds. 10yr yields ended up moving higher by several bps while MBS maintained modest gains thanks to their shorter implied duration (i.e. we continued to use 10yr Treasuries as a big picture rate benchmark, but MBS trade more like 5yr Treasuries these days). Rationale is in short supply for the selling because there were no clear, individual motivations. Instead, we are forced to point to a slew of Fed speeches that were collectively more [hawkish](#). Beyond that, one might offer some conjecture about anticipated fiscal impacts from various political developments, but that narrative is certainly getting a bit tired at this point.



KV Mortgage



### Latest Video Analysis



Morning Rally Largely Erased

### MBS & Treasury Markets

UMBS 5.5	98.89	-0.11	10YR	4.465%	+0.001%	11/14/2024 1:15AM EST
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## Negative Reprice Risk Increasing

Bonds continue selling off in a measured, linear fashion. 10yr yields are now up 3.2bps on the day at 4.456. MBS are up 3 ticks (.09), outperforming due to yield curve trading (i.e. shorter durations doing better).

Despite the outperformance, this is more than a quarter point below the AM highs and at least an eighth of a point below almost every lender's rate sheet print time. Jumpy lenders are increasingly likely to be considering negative reprices.

**MBS MORNING:** Early Gains Speak to Underlying Inflation Anxiety

**ALERT:** MBS Down a Quarter Point From Highs

## Today's Mortgage Rates

30YR Fixed 7.01% -0.01% | 15YR Fixed 6.37% -0.02% 11/13/2024

### Mortgage Rates Roughly Unchanged Today

While there's been plenty of movement in the average mortgage rate on any given day recently, today was not one of them. 30yr fixed rates remained above 7%, but technically fell 0.01% (an amount so small that it may as well be considered an absence of change).

Despite the flat day-over-day result, there continues to be much more intraday movement than normal. Mortgage lenders publish an initial rate in the morning and it only changes if the bond market moves enough in one direction or the other.

Over the decades, on any given day, the average lender is more likely to keep the same rate offerings all day. Recently, however, that's the exception. Most lenders have faced multiple situations that have forced a mid-day reprice on any given week. The past two days haven't been as volatile in that regard, but many lenders ended up pushing rates a bit higher after starting the day in lower territory.

If there was a reason that rates were able to hold ground today, it was the bond market's favorable reception to this morning's Consumer Price Index (CPI), a key inflation report that showed a modest improvement versus last month. Some market watchers were concerned that inflation would continue to trend higher--something that would push rates higher, all other things being equal.

## Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
<b>Thursday, Nov 14</b>				
7:00AM	Fed Kugler Speech ☆			
8:30AM	Oct PPI Ex Food, Energy and Trade MoM			0.1%
8:30AM	Oct Core Producer Prices YY (%) ★		3%	2.8%
8:30AM	Nov/09 Jobless claims 4-wk avg (k)			227.25K
8:30AM	Nov/09 Jobless Claims (k) ★		223K	221K
8:30AM	Nov/02 Continued Claims (ml)		1880K	1892K
8:30AM	Oct PPI Ex Food, Energy and Trade YoY			3.2%
8:30AM	Oct Core Producer Prices MM (%) ★		0.3%	0.2%
8:30AM	Oct PPI YoY		2.3%	1.8%
8:30AM	Oct Producer Prices (%)		0.2%	0%
8:30AM	Oct PPI			145.173
9:15AM	Fed Barkin Speech ☆			
10:30AM	Nov/08 Nat gas-EIA, change bcf		43Bcf	69Bcf
11:00AM	Nov/08 EIA Distillate Fuel Production Change			0.233M
11:00AM	Nov/08 EIA Cushing Crude Oil Stocks Change			0.522M

Time	Event	Actual	Forecast	Prior
11:00AM	Nov/08 EIA Crude Oil Imports Change			1.676M
11:00AM	Nov/08 EIA Distillate Stocks Change		0.7M	2.947M
11:00AM	Nov/08 EIA Refinery Crude Runs Change			0.281M
11:00AM	Nov/08 EIA Heating Oil Stocks Change			0.335M
11:00AM	Nov/08 Crude Oil Inventory (ml)		1.85M	2.149M
11:00AM	Nov/08 EIA Gasoline Production Change			0.013M
11:00AM	Nov/08 EIA Gasoline Stocks Change		1M	0.412M
11:30AM	8-Week Bill Auction			4.490%
11:30AM	4-Week Bill Auction			4.515%
12:00PM	Nov/13 30-Year Mortgage Rate			6.79%
12:00PM	Nov/13 15-Year Mortgage Rate			6%
3:00PM	Fed Chair Powell Speech ☆			
4:15PM	Fed Williams Speech ☆			
4:30PM	Nov/13 Central Bank Balance Sheet			\$6.99T
<b>Friday, Nov 15</b>				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
8:30AM	Oct Retail Sales (%) ★		0.3%	0.4%
8:30AM	Nov NY Fed Manufacturing ☆		-0.7	-11.9
8:30AM	Oct Retail Sales Ex Gas/Autos MoM			0.7%
8:30AM	Oct Retail Sales YoY			1.7%
8:30AM	Oct Retail Sales (ex-autos) (%)		0.3%	0.5%
8:30AM	Oct Import Prices YoY			-0.1%
8:30AM	Oct Export Prices YoY			-2.1%
8:30AM	Oct Export prices mm (%)		-0.1%	-0.7%
8:30AM	Oct Import prices mm (%)		-0.1%	-0.4%
9:15AM	Oct Manufacturing Production YoY			-0.5%
9:15AM	Oct Industrial Production (%) ☆		-0.3%	-0.3%
9:15AM	Oct Capacity Utilization (%)		77.2%	77.5%
9:15AM	Oct Industrial Production YoY			-0.6%
9:15AM	Oct Manufacturing Production MoM		-0.5%	-0.4%
10:00AM	Sep Business Inventories (%) ☆		0.2%	0.3%
10:00AM	Sep Retail Inventories Ex Autos MoM Adv		0.1%	0.5%
12:00PM	NOPA Crush Report (%)			
1:00PM	Nov/15 Baker Hughes Oil Rig Count			479
1:00PM	Nov/15 Baker Hughes Total Rig Count			585

## Recent Housing News

- [Mortgage Applications Keep Kicking The Can](#)
- [Mortgage Demand Regressing Amid Rapid Rate Spike](#)
- [Existing Home Sales Update: Still Bad](#)

## Read My Latest Newsletter

## 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](#)