

MARKET SUMMARY

Complete Recap of Today's Market Activity

The Case For a Sideways Ceiling Continues to Build

Market Summary: Thursday, November 21, 2024 - 4:13AM

Granted, yields are only 3 days removed from hitting their highest levels in 5 months, but those levels weren't much worse than November 6th. If we treat this zone (call it 4.45% in 10yr yields, give or take 0.05%) as a potential ceiling, it received yet another vote of support with today's very calm trading near 4.42%. Geopolitical headlines were taken in stride (modest improvement) and 20yr auction results pushed back a bit in the afternoon. Most importantly (not really), bond traders managed to stay someone engaged despite every news story, email, TV segment, etc. focusing on NVIDIA earnings.

Latest Video Analysis



The Case For a Sideways Ceiling Continues to Build



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UMBS 5.5 98.94 +0.06 | 10YR 4.408% +0.003% 11/21/2024 9:13AM EST

Geopolitical Headlines Behind Small But Noticeable Reactions

There has been plenty of news over the past 48 hours regarding the U.S. greenlighting Ukraine to use long range missiles to attack Russia. Yesterday's examples resulted in relatively modest overnight gains for the bond market. Today's example is a developing story. It involves Ukraine firing multiple UK-supplied missiles into Russia. Headlines to that effect began making the rounds at 9:20am and the result in trading levels and volumes was, once again, clear but modest. It was almost enough to help the bond market move back into positive territory after overnight weakness, but the rally has already met with resistance.

If nothing else, note that the prevailing momentum has been steadily higher in yield. These geopolitical headlines have merely been speedbumps in that process.

ALERT: Weakest Levels Of The Day

MBS MORNING: Threat of Global Nuclear War Barely Worth a Bond Rally

Today's Mortgage Rates

30YR Fixed 7.04% -0.01% | 15YR Fixed 6.41% +0.00% 11/21/2024

Mortgage Rates Have Been Much Calmer, But They're Still High

Remember October and the first part of November--not because of the election, but rather because of the relentless rise in ? Would you rather forget? You're not alone. It was the fastest rate spike since 2022, and it was made all the more memorable because it put an end to the first real uptick in refinance activity in just as long.

In the days following the election, there was quite a bit of volatility in rates, but with the benefit of hindsight, we can say that the volatility has subsided. Tuesday, November 12th was the last time rates made a decently big day-over-day move. Since then, we haven't seen top tier 30yr fixed rates change by more than 0.04% in either direction. More impressively, they've held a range of only 0.06% during that time. That's a low volatility environment by any standard.

Today fit perfectly in that narrative with the average lender only moving up 0.01%. After adjusting for upfront costs, 30yr fixed rates remain just over 7%.

Any time we're marveling at the absence of volatility, a word of caution is in order. Volatility can come back any time. Its return can be driven by surprises or by scheduled data. At the very least, we can be sure that the scheduled data in the first two weeks of December has immense potential to reignite volatility, for better or worse.

| Time | Event | Actual | Forecast | Prior |
|-------------------------|--|---------|----------|---------|
| Thursday, Nov 21 | | | | |
| 8:30AM | Nov/09 Continued Claims (ml) | 1908K | 1870K | 1873K |
| 8:30AM | Nov/16 Jobless claims 4-wk avg (k) | 217.75K | | 221K |
| 8:30AM | Nov/16 Jobless Claims (k) ★ | 213K | 220K | 217K |
| 8:30AM | Nov Philly Fed Prices Paid | 26.60 | | 29.70 |
| 8:30AM | Nov Philly Fed Business Index ☆ | -5.5 | 8 | 10.3 |
| 8:30AM | Nov Philly Fed Business Conditions | 56.6 | | 36.7 |
| 8:30AM | Nov Philly Fed CAPEX Index | 24.90 | | 23.50 |
| 8:30AM | Nov Philly Fed Employment | 8.6 | | -2.2 |
| 8:30AM | Nov Philly Fed New Orders | 8.9 | | 14.2 |
| 10:00AM | Oct CB Leading Index MoM (%) | -0.4% | -0.3% | -0.5% |
| 10:00AM | Oct Exist. home sales % chg (%) ☆ | 3.4% | | -1% |
| 10:00AM | Oct Existing home sales (ml) ☆ | 3.96M | 3.93M | 3.84M |
| 10:30AM | Nov/15 Nat gas-EIA, change bcf | -3Bcf | 5Bcf | 42Bcf |
| 11:00AM | Nov KC Fed manufacturing | -4 | | 0 |
| 11:00AM | Nov Kansas Fed Composite Index | -2 | | -4 |
| 11:30AM | 8-Week Bill Auction | 4.480% | | 4.460% |
| 11:30AM | 4-Week Bill Auction | 4.530% | | 4.510% |
| 12:00PM | Nov/20 15-Year Mortgage Rate | 6.02% | | 5.99% |
| 12:00PM | Nov/20 30-Year Mortgage Rate | 6.84% | | 6.78% |
| 12:25PM | Fed Goolsbee Speech ☆ | | | |
| 12:30PM | Fed Hammack Speech ☆ | | | |
| 1:00PM | 10-yr Note Auction (bl) ★ | 17 | | |
| 1:00PM | 10-Year TIPS Auction | 2.071% | | 1.592% |
| 4:30PM | Nov/20 Central Bank Balance Sheet | | | \$6.96T |
| Friday, Nov 22 | | | | |
| 9:45AM | Nov S&P Global Manuf. PMI ☆ | | 48.8 | 48.5 |
| 9:45AM | Nov S&P Global Composite PMI ☆ | | | 54.1 |
| 9:45AM | Nov S&P Global Services PMI ★★ | | 55.2 | 55 |
| 10:00AM | Nov U Mich conditions ☆ | | 64.4 | 64.9 |
| 10:00AM | Nov Sentiment: 5y Inflation (%) ☆ | | 3.1% | 3% |
| 10:00AM | Nov Sentiment: 1y Inflation (%) ☆ | | 2.6% | 2.7% |
| 10:00AM | Nov Consumer Sentiment (ip) ☆ | | 73.7 | 70.5 |
| 10:00AM | Nov Michigan Consumer Expectations Final | | 78.5 | 74.1 |
| 1:00PM | Nov/22 Baker Hughes Oil Rig Count | | | 478 |
| 1:00PM | Nov/22 Baker Hughes Total Rig Count | | | 584 |

Recent Housing News

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- [Two Ways to Look at Residential Construction Slowdown](#)
- [Like Many Housing Metrics, Builder Confidence is Just Waiting For Lower Rates](#)

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Are Rates Done Freaking Out Yet?

Mortgage rates bounced hard off the long term lows back in September and had jumped almost a full percent by last week. In addition to the elevated levels, there's been plenty of volatility. Nonetheless, rates managed to avoid breaking last week's ceiling-- even if only just. Does that mean it's time for hope? Hope is always a fine thing to have, but it's not a strategy when it comes to mortgage...

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