

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## The Case For a Sideways Ceiling Continues to Build

Market Summary: Thursday, November 21, 2024 - 7:50AM

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 98.89 +0.02 | 10YR 4.414% +0.008% 11/21/2024 12:50PM 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
<b>Thursday, Nov 21</b>				
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	\$6.92T		\$6.96T
<b>Friday, Nov 22</b>				
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

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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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