

MARKET SUMMARY

Complete Recap of Today's Market Activity

South Korea... Martial Law... And a Bond Rally?

Market Summary: Tuesday, December 3, 2024 - 12:39PM

Of all of the motivations in all the markets, this one had to walk into ours. Or perhaps it rolled in on tank tracks. Just over an hour ago, South Korea's president declared martial law. If you don't follow Korean politics, yes, this is a head scratcher. Upon verifying the authenticity of the headlines, rather than scratch their heads, investors simply bought bonds in a classic, modest safe haven rally. This has been the dominant theme so far this morning, turning modest overnight losses to modest early morning gains. The forthcoming JOLTS data could change or accelerate the move.



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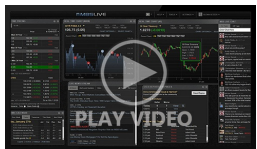
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Latest Video Analysis



Bonds Hold Vast Majority of Last Week's Gains

MBS & Treasury Markets

UMBS 5.5	99.79	-0.09	10YR	4.224%	+0.030%	12/3/2024 5:00PM EST
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Weakest Levels of The Day

Selling has continued fairly steadily, but at a slow pace following the JOLTS data. MBS are now down 2 ticks (.06) on the day and just over an eighth of a point from the AM highs (which coincided with some lenders' rate sheet print times). As such, some of the jumpier lenders could be considering negative reprices.

10yr yields are now up 2bps at domestic session highs of 4.214.

UPDATE: Giving up Some Early Gains After JOLTS Data

MBS MORNING: South Korea... Martial Law... And a Bond Rally?

Today's Mortgage Rates

30YR Fixed 6.85% -0.01% 15YR Fixed 6.05% -0.01% 12/3/2024

Mortgage Rates Little-Changed After Last Week's Improvement

remain elevated relative to the levels seen in September and early October, but they've definitely moved down a bit from their recent highs. Thanksgiving week saw the lowest daily average rate in exactly a month, but there's never a guarantee the rate market will look the same on the following week. Thankfully, it's almost perfectly unchanged this time around.

The average lender is still able to offer top tier conventional 30yr fixed rates just under 7% for the 4th straight day. There were no major sources of inspiration today, but that will change as the week progresses. Friday's jobs report is especially significant. The same report has had the biggest impact of any economic report on multiple occasions in the past few months.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Tuesday, Dec 03				
6:00AM	Nov LMI Logistics Managers Index Current	58.4		58.9
8:55AM	Nov/30 Redbook yy (%)	7.4%		4.9%
10:00AM	Oct JOLTs Job Quits ☆	3.326M		3.071M
10:00AM	Oct USA JOLTS Job Openings ★	7.744M	7.48M	7.443M
10:10AM	Dec IBD economic optimism	54	54.1	53.2
11:30AM	26-Week Bill Auction (bl)	75		
11:30AM	42-Day Bill Auction (%)	4.400%		4.480%
12:35PM	Fed Kugler Speech ☆			
3:45PM	Fed Golsbee Speech ☆			
4:30PM	Nov/29 API weekly crude stocks (ml)	1.232M	-2.06M	-5.935M
6:00PM	Nov Total Vehicle Sales (ml)	16.5M	16M	16M
Wednesday, Dec 04				
7:00AM	Nov/29 MBA 30-yr mortgage rate (%)	6.69%		6.86%
7:00AM	Nov/29 MBA Mortgage Applications	2.8%		6.3%
7:00AM	Nov/29 Mortgage Market Index	213.9		208.0
7:00AM	Nov/29 MBA Refi Index	498.5		501.7
7:00AM	Nov/29 MBA Purchase Index	161.5		152.9
8:15AM	Nov ADP jobs (k) ☆	146K	150K	233K
8:45AM	Fed Musalem Speech ☆			
8:45AM	Fed Musalem Speech ☆			
9:45AM	Nov S&P Global Composite PMI ☆	54.9	55.3	54.1

Time	Event	Actual	Forecast	Prior
9:45AM	Nov S&P Global Services PMI ★★	56.1	57	55
10:00AM	Oct Factory orders mm (%)	0.2%	0.2%	-0.5%
10:00AM	Oct Factory ex-transp mm (%)	0.1%		0.1%
10:00AM	Nov ISM Services Prices	58.2		58.1
10:00AM	Nov ISM Services New Orders	53.7		57.4
10:00AM	Nov ISM Services Employment	51.5	53	53.0
10:00AM	Nov ISM Biz Activity ★	53.7		57.2
10:00AM	Nov ISM N-Mfg PMI ★★	52.1	55.5	56
10:30AM	Nov/29 EIA Refinery Crude Runs Change	0.615M		0.067M
10:30AM	Nov/29 EIA Heating Oil Stocks Change	0.242M		-1.134M
10:30AM	Nov/29 EIA Gasoline Stocks Change	2.362M	0.6M	3.314M
10:30AM	Nov/29 EIA Gasoline Production Change	-0.248M		0.457M
10:30AM	Nov/29 EIA Distillate Fuel Production Change	0.219M		0.259M
10:30AM	Nov/29 EIA Distillate Stocks Change	3.383M	2M	0.416M
10:30AM	Nov/29 EIA Crude Oil Imports Change	1.635M		-1.886M
10:30AM	Nov/29 Crude Oil Inventory (ml)	-5.073M	-1M	-1.844M
10:30AM	Nov/29 EIA Cushing Crude Oil Stocks Change	0.05M		-0.909M
11:30AM	17-Week Bill Auction (%)	4.315%		4.390%
1:40PM	Fed Chair Powell Speech ★★			
2:00PM	Fed Beige Book			

Recent Housing News

- Home Mortgage Purchase Applications Highest Since February
- New Home Sales Sharply Lower in October, But There's a Catch
- Latest Home Price Numbers, Including a New Conforming Loan Limit

Read My Latest Newsletter

Rates and Housing Back in The Waiting Game

After embarking on a volatile journey in early October, the past 2 weeks have been calmer for mortgage rates. The present week was especially uneventful relative to the past 2 months. The following chart measures volatility in the underlying bond market, which is the precursor for mortgage rate movement. As such, it's no surprise to see volatility subside in mortgage rates.&nbs...

Mortgage Calculators

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