

MARKET SUMMARY

Complete Recap of Today's Market Activity

Friendly Fed Comments No Match For The Range

Market Summary: Wednesday, December 4, 2024 - 3:41AM

The day began with a bond rally courtesy of geopolitical headlines (martial law declared in South Korea). Traders were done reacting to the news by 9am and yields were heading back up after that with a 10am push from stronger JOLTS data. There were several friendly comments from Fed speakers in the early afternoon, but they only materially benefitted the short end of the yield curve (i.e. 2yr yields are lower on the day while 10yr yields are several bps higher). The other way to view the move is simply that the bond market rallied as much as it was willing to rally by the end of last week and yields haven't been able to make any additional progress since then. Indeed, each of the past 3 trading sessions has seen a 10yr yield low of almost exactly 4.17%. Tomorrow brings an important slate of econ data with ADP employment, ISM Services, and an afternoon Powell speech.

Latest Video Analysis



Friendly Fed Comments No Match For The Range



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MBS & Treasury Markets

UMBS 5.5 99.64 -0.13 | 10YR 4.269% +0.045% 12/4/2024 8:41AM EST

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 6.84% -0.01% | 15YR Fixed 6.01% -0.04% 12/4/2024

Mortgage Rates Lower on Average, But Timing Matters

The bond market is the primary driver of mortgage rate movement and normally, "weakness" equates to higher rates. Bonds are slightly weaker today compared to yesterday afternoon, but nonetheless managed to move lower. What gives?

Timing is partly to blame. Bonds may be weaker than yesterday afternoon, but they're still stronger than yesterday morning, when most lenders publish their rates for the day.

After that initial rate offering, it takes a fair amount of bond market volatility before the average mortgage lender will make changes to mortgage rates. Several lenders offered improvements yesterday afternoon in response to bond market improvements. In those cases, their rates were fairly similar today.

Ironically, just as yesterday's volatility resulted in improvements for rates, today's volatility is doing the opposite with several lenders "repricing" to slightly higher levels. The net effect is an average rate that is just a hair below yesterday's, and also the lowest in just over a month.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
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%

Time	Event	Actual	Forecast	Prior
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
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			
Thursday, Dec 05				
7:30AM	Nov Challenger layoffs (k)			55.597K
8:30AM	Oct Trade Gap (bl)		\$-75B	\$-84.4B
8:30AM	Oct Exports			\$267.9B
8:30AM	Nov/30 Jobless claims 4-wk avg (k)			217K
8:30AM	Nov/23 Continued Claims (ml)		1910K	1907K
8:30AM	Nov/30 Jobless Claims (k) ★		215K	213K
8:30AM	Oct Imports			\$352.3B
10:30AM	Nov/29 Nat gas-EIA, change bcf			-2Bcf

Time	Event	Actual	Forecast	Prior
11:30AM	8-Week Bill Auction			4.500%
11:30AM	4-Week Bill Auction			4.550%
11:30AM	Fed Barkin Speech ☆			
12:00PM	Dec/04 15-Year Mortgage Rate			6.10%
12:00PM	Dec-04 30-Year Mortgage Rate			6.81%
4:30PM	Dez/4 Central Bank Balance Sheet			\$6.91T

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