

# MARKET SUMMARY

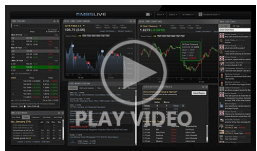
Complete Recap of Today's Market Activity

## Steady Selling in Bonds. 'Tis The Season?

Market Summary: Monday, December 23, 2024 - 9:15PM

Bonds began the day in weaker territory and continued to sell off through 2pm ET despite an absence of any obvious justifications. That said, 'tis the season for bonds to move whichever way they want without any obvious justifications. Volumes were as low as you'd expect for X-mas week, if not slightly lower. Treasuries are in a cautious stance, having been tasked with underwriting several huge shorter term auctions on X-mas week, and less than one week after a big dust-up with the Fed. It's basically the bond market version of "sell in May and go away," except May is December.

### Latest Video Analysis



Steady Selling in Bonds. 'Tis The Season



**Shannon McAlister**

Luminate Home Loans

<https://home-owners-pdx.com/>

**M:** (503) 516-8881

[shannon.mcalister@goluminate.com](mailto:shannon.mcalister@goluminate.com)

NMLS 885982

Member  
**FDIC**



### MBS & Treasury Markets

<b>UMBS 5.5</b> 98.45 <b>-0.02</b>	<b>10YR</b> 4.594% <b>+0.005%</b>	12/24/2024 2:15AM EST
------------------------------------	-----------------------------------	-----------------------

## Down More Than a Quarter Point

MBS are now down 9 ticks on the day (.28) and nearly a quarter point from the AM highs. Lenders who priced at or before 9:30am ET are slightly more likely to be considering negative reprices. Some of the later-pricing lenders could even be considering reprices if they're feeling especially jumpy.

10yr yields are up 7.4bps now after a slow, steady sell-off, at 4.589.

**MBS MORNING:** No Help From Weaker Econ Data. Holiday Week Idiosyncrasies

**ALERT:** Down an Eighth From Highs, But Weaker Data Could Help

## Today's Mortgage Rates

30YR Fixed 7.10% +0.06%

15YR Fixed 6.45% +0.02%

12/23/2024

### Mortgage Rates Higher to Start Holiday-Shortened Week

Holidays have inconsistent impacts on because holiday's have inconsistent impacts on the bond market (and rates are dictated by the bond market). Bond traders (the people buying and selling the bonds that ultimately determine mortgage rates) are people too. They take vacations, or tack an extra day or two onto a scheduled holiday market closure to make for an extended holiday weekend.

When more than a few traders are absent, the balance of remaining traders can make for different dynamics than would normally be seen. This can cause some distortion in rates around the holidays, typically in the form of increased volatility.

Trader absences aren't the only consideration--especially in late December. There can be a lot of seemingly random trading motivation that acts to push rates higher or lower regardless of the cues from the more normal inputs (such as economic data and policy changes).

In the current case, we're fresh off a monetary policy communication that had a negative impact on rates. Now in the new week, rates are moving higher yet again, despite what would normally be friendly cues from this morning's economic data. The light trading volume suggests the holiday idiosyncrasies are at least partly to blame.

The average mortgage lender is back near its highest rates of the past few months, with top tier conventional 30yr fixed rates hovering around 7.125%.

## Economic Calendar

Last Week

This Week

Next Week

Time	Event	Actual	Forecast	Prior
<b>Monday, Dec 23</b>				
8:30AM	Nov National Activity Index	-0.12		-0.40
9:30AM	Nov Build permits: change mm (%)	5.2%	6.1%	-0.4%
9:30AM	Nov Building permits: number (ml)	1.493M	1.505M	1.419M
9:30AM	Nov Durables ex-transport (%)	-0.1%	0.3%	0.1%
9:30AM	Nov Durables ex-defense mm (%)	-0.3%		0.4%
9:30AM	Nov Core CapEx (%) ☆	0.7%		-0.2%
9:30AM	Nov Durable goods (%) ☆	-1.1%	-0.4%	0.2%
10:00AM	26-Week Bill Auction (bl)	81		
10:00AM	Dec CB Consumer Confidence (%) ☆	104.7	113	111.7
10:00AM	6-Month Bill Auction	4.170%		4.160%
10:00AM	3-Month Bill Auction	4.240%		4.250%
10:00AM	Nov New Home Sales (%) (%)	5.9%		-17.3%
10:00AM	Nov New Home Sales (ml) ☆	0.664M	0.65M	0.61M
10:00AM	26-Week Bill Auction (bl)	72		
10:30AM	NY Fed Treasury Purchases 0 to 1 yrs (%)		\$50 million	
11:30AM	26-Week Bill Auction (bl)	65		
11:30AM	52-Week Bill Auction	4.070%		4.190%
11:30AM	52-Week Bill Auction (bl)	48		
11:30AM	42-Day Bill Auction (%)	4.280%		4.270%
1:00PM	2-Year Note Auction	4.335%		4.274%
1:00PM	2-Yr Note Auction (bl)	69		
7:00PM	US Holiday			
<b>Tuesday, Dec 24</b>				
8:55AM	Dec/21 Redbook yy (%)	5.9%		4.8%
10:00AM	Dec Rich Fed, services index	23		9
10:00AM	Dec Rich Fed comp. index	-10	-9	-14
10:00AM	Dec Rich Fed manuf shipments	-11		-12
11:30AM	2-Yr Note Auction (bl)	28		
11:30AM	2-Year FRN Auction (%)	0.140%		0.170%
11:30AM	5-Year Note Auction	4.478%		4.197%
11:30AM	5-Yr Note Auction (bl) ★	70		
2:00PM	Christmas Eve ★★			
4:30PM	Dec/20 API weekly crude stocks (ml)			-4.7M
7:00PM	US Holiday			

## Recent Housing News

- [New Homes Sales Bounce Back After Hurricane Season](#)
- [Highest Existing Home Sales Since March](#)
- [Modest Refi Surge Was Fun While it Lasted](#)

## Read My Latest Newsletter

### Once Again, Mortgage Rates Shoot Higher After a Fed Rate Cut

"If anything on Fed day ends up having an impact on mortgage rates, it would have to be changes in the Fed's rate outlook and/or comments from Fed Chair Powell during the press conference that follows the rate announcement." That's how we closed out last week's newsletter , and there were certainly some changes! The gist was that mortgage rates often correlate very poorly with changes in...

## Mortgage Calculators

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