

MARKET SUMMARY

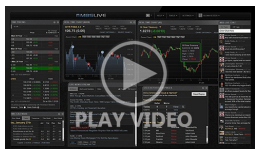
Complete Recap of Today's Market Activity

Uneventful Start to 2025

Market Summary: Friday, January 3, 2025 - 12:21AM

Bonds began the day in moderately stronger territory before losing ground after the Jobless Claims data. AM selling stalled out shortly after bonds hit negative territory and settled sideways to slightly stronger in the afternoon. While that constitutes a reasonably amount of volatility (as did the previous session on Tuesday), the magnitude of the movements has been fairly mild. All in all, it's an uneventful start to the new year and a typically boring winter holiday trading environment. If there's one thing to focus on, it's that trading levels are still right in line with the day after Fed day. If there are two things, the second would be that yields are a bit lower than they were at the end of last week.

Latest Video Analysis



Uneventful Start to 2025

MBS & Treasury Markets

| | | | | | | |
|----------|-------|-------|------|--------|---------|---------------------|
| UMBS 5.5 | 98.50 | -0.11 | 10YR | 4.599% | +0.036% | 1/3/2025 5:00PM EST |
|----------|-------|-------|------|--------|---------|---------------------|

MBS Down More Than an Eighth From Most Recent High

Bonds have steadily been giving up the overnight gains despite remaining in positive territory on the day. 10yr yields are still down about half a bp at 4.565, but that's up from lows of 4.514.

MBS are still up 2 ticks (.06) on the day, but down a quarter point from AM highs and an eighth of a point from many lenders' rate sheet print times. As such, the jumpier lenders could be close to considering negative reprices.

MBS MORNING: Stronger Start Despite Some Selling After Data

ALERT: Negative Reprices Becoming More Likely



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Today's Mortgage Rates

30YR Fixed 7.10% +0.03%

15YR Fixed 6.49% +0.02% 1/3/2025

Mortgage Rates Haven't Moved Much Since Fed Week

The last time we were moving with any sense of urgency was in the days surrounding the Fed's rate cut on December 18th. Incidentally, that movement was sharply higher, which is just as likely as any other outcome when the Fed is cutting rates for a .

The rate rise leveled off by the end of Fed week with the average lender offering top tier conventional 30yr fixed rates near 7.125. The average is only modestly lower today (7.07) and hasn't moved much at all since then.

This sort of ambiguity is the default game plan for winter holidays due to changes in bond market participation. It's also a byproduct of the available economic data. In not so many words, the Fed was the last major input, and we won't get to the next one until next Friday's jobs report.

Between now and then, moderate movement in either direction is possible, but any significant changes will require a surprise in the data.

| Time | Event | Actual | Forecast | Prior |
|-----------------------|---|---------|--------------|--------|
| Friday, Jan 03 | | | | |
| 10:00AM | Dec ISM Manufacturing PMI ★★★ | 49.3 | 48.4 | 48.4 |
| 10:00AM | Dec ISM Manufacturing Employment | 45.3 | 48 | 48.1 |
| 10:00AM | Dec ISM Manufacturing New Orders | 52.5 | | 50.4 |
| 10:00AM | Dec ISM Mfg Prices Paid ★ | 52.5 | 51.7 | 50.3 |
| 10:30AM | Dec/27 Nat gas-EIA, change bcf | -116Bcf | -127Bcf | -93Bcf |
| 11:00AM | Fed Barkin Speech ☆ | | | |
| 1:00PM | Jan/03 Baker Hughes Total Rig Count | 588 | | 589 |
| 1:00PM | Jan/03 Baker Hughes Oil Rig Count | 482 | | 483 |
| Monday, Jan 06 | | | | |
| 9:15AM | Fed Cook Speech ☆ | | | |
| 9:45AM | Dec S&P Global Composite PMI ☆ | 55.4 | 56.6 | 54.9 |
| 9:45AM | Dec S&P Global Services PMI ★★★ | 56.8 | 58.5 | 56.1 |
| 10:00AM | Nov Factory orders mm (%) | -0.4% | -0.3% | 0.2% |
| 10:00AM | Nov Factory ex-transp mm (%) | 0.2% | | 0.1% |
| 10:30AM | NY Fed Treasury Purchases 6 to 10 yrs (%) | | \$25 million | |
| 11:30AM | 52-Week Bill Auction (b) | 72 | | |
| 11:30AM | 26-Week Bill Auction (b) | 84 | | |
| 11:30AM | 3-Month Bill Auction | 4.205% | | 4.230% |
| 11:30AM | 6-Month Bill Auction | 4.110% | | 4.135% |
| 1:00PM | 3-Year Note Auction | 4.332% | | 4.117% |
| 1:00PM | 3-Yr Note Auction (b) | 58 | | |

Recent Housing News

- Pending Home Sales at Highest Level in Almost 2 Years
- New Homes Sales Bounce Back After Hurricane Season
- Highest Existing Home Sales Since March

Read My Latest Newsletter

Let's Try Something New For 2025

"So long 2024. Don't let the door hit ya!" Or... "another year closer to turning a longer-term corner in the housing market." For better or worse, 2024 was a lot more like 2023 than most housing/mortgage pros were expecting. Existing home sales still have another month of reporting for 2024, but there's no result that would change the perception of this year being an almost perfect carbon copy ...

Mortgage Calculators

-  [Mortgage Payment w Amortization](#)
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-  [Advanced Loan Comparison](#)
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-  [Blended Rate](#)