

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Small Scale Volatility as Bonds Wait For Jobs Report

Market Summary: Tuesday, January 7, 2025 - 5:27AM

Bonds lost ground this morning despite a weaker S&P PMI headline. While there were some mitigating factors beyond the headline, we could just as easily conclude that traders are erring on the side of caution heading into a week of Treasury auction supply with another big jobs report on Friday--all while being forced to wait an unknown amount of time to find out where the rubber meets the road on fiscal policies that could further affect the outlook for the economy, inflation, and Treasury issuance. All told, today's volatility was mild at best and we didn't learn anything new about the bigger picture.

### Latest Video Analysis



Small Scale Volatility as Bonds Wait For Jobs Report



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### MBS & Treasury Markets

UMBS 5.5 98.20 -0.20    10YR 4.682% +0.050%    1/7/2025 5:00PM EST

## Down More Than a Quarter Point From AM Highs

Despite some overnight strength, bonds have been selling steadily during domestic hours. MBS are down just over an eighth of a point on the day, but more than a quarter point from the AM highs. This isn't necessarily a repricing risk situation due to the timing of the weakness (most lenders saw enough of the weakness before their first rate sheet of the day). That said, jumpier lenders who priced earlier in the day could be getting antsy.

10yr yields are up 3.9bps at 4.637.

**MBS MORNING:** No Help From Econ Data as Bonds Prepare For Supply

**ALERT:** Treating Water at Weakest Levels

## Today's Mortgage Rates

30YR Fixed 7.14% +0.04% | 15YR Fixed 6.50% +0.00% 1/7/2025

### Mortgage Rates Barely Budge to Start New Week

The bond market and have arrived at the first full week of the new year almost exactly where they left off before the X-mas/New Year holiday weeks. There was a small amount of underlying volatility in bonds today, but not enough to translate into volatility for . This kept the average lender near 7.125% for a top tier conventional 30yr fixed rate.

Although the past 2 weeks have been uneventful for rates, the next 2 weeks will be heavily influenced by incoming economic data. There are several honorable mentions over the next few days before getting to this week's headliner on Friday: the jobs report.

The data between now and Friday is certainly capable of causing movement in either direction, but the jobs report is capable of causing much MORE movement. In all cases, bigger volatility requires a bigger deviation from the market's expectations.

Where do expectations come from? Hundreds of economists/analysts submit or publish forecasts for most of the regularly-scheduled economic data. The median of those forecasts is then published as a consensus--effectively THE forecast. In general, if the data suggests the economy is weaker or inflation is lower versus the forecast, it's good for rates.

## Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
<b>Tuesday, Jan 07</b>				
6:00AM	Dec LMI Logistics Managers Index Current	57.3		58.4
8:00AM	Fed Barkin Speech ☆			
8:30AM	Nov Trade Gap (bl)	\$-78.2B	\$-78B	\$-73.8B
8:30AM	Nov Imports	\$351.6B		\$339.6B
8:30AM	Nov Exports	\$273.4B		\$265.7B
8:55AM	Jan/04 Redbook yy (%)	6.8%		7.1%
10:00AM	Nov JOLTs Job Quits ☆	3.065M		3.326M
10:00AM	Dec ISM Biz Activity ★	58.2		53.7
10:00AM	Dec ISM N-Mfg PMI ★★	54.1	53.3	52.1
10:00AM	Dec ISM Services Employment	51.4	51.4	51.5
10:00AM	Dec ISM Services Prices	64.4	57.5	58.2
10:00AM	Nov USA JOLTS Job Openings ★	8.098M	7.70M	7.744M
10:00AM	Dec ISM Services New Orders	54.2	54.2	53.7
11:30AM	52-Week Bill Auction (bl)	85		
11:30AM	42-Day Bill Auction (%)	4.245%		4.280%
1:00PM	10-yr Note Auction (bl) ★	39		

Time	Event	Actual	Forecast	Prior
1:00PM	10-Year Note Auction ★	4.68%		4.235%
4:30PM	Jan/03 API weekly crude stocks (ml)	-4.022M	-0.25M	-1.442M
<b>Wednesday, Jan 08</b>				
7:00AM	Jan/03 MBA Mortgage Applications	-3.7%		-12.6%
7:00AM	Jan/03 MBA 30-yr mortgage rate (%)	6.99%		6.97%
7:00AM	Jan/03 Mortgage Market Index	168.4		174.9
7:00AM	Jan/03 MBA Purchase Index	127.7		136.7
7:00AM	Jan/03 MBA Refi Index	401.1		395.1
8:15AM	Dec ADP jobs (k) ☆	122K	140K	146K
8:30AM	Dec Total Vehicle Sales (ml)	16.8M	16.5M	16.5M
8:30AM	Dec/28 Continued Claims (ml)	1867K	1870K	1844K
8:30AM	Jan/04 Jobless Claims (k) ★	201K	218K	211K
8:30AM	Jan/04 Jobless claims 4-wk avg (k)	213K		223.25K
8:30AM	Fed Waller Speech ☆			
9:00AM	Dec Used Car Prices YoY	0.4%		0.2%
9:00AM	Dec Used Car Prices MoM	-0.3%		1.3%
10:00AM	Nov Wholesale inventories mm (%) ☆	-0.2%	-0.2%	0.1%
10:30AM	Jan/03 EIA Refinery Crude Runs Change	0.045M		0.041M
10:30AM	Jan/03 EIA Gasoline Stocks Change	6.33M	1.5M	7.717M
10:30AM	Jan/03 EIA Heating Oil Stocks Change	-0.632M		-0.416M
10:30AM	Jan/03 EIA Cushing Crude Oil Stocks Change	-2.502M		-0.142M
10:30AM	Jan/03 EIA Gasoline Production Change	-0.081M		-0.959M
10:30AM	Jan/03 EIA Distillate Fuel Production Change	-0.167M		0.099M
10:30AM	Jan/03 EIA Distillate Stocks Change	6.071M	1M	6.406M
10:30AM	Jan/03 EIA Crude Oil Imports Change	0.278M		0.323M
10:30AM	Jan/03 Crude Oil Inventory (ml)	-0.959M	-0.6M	-1.178M
11:30AM	17-Week Bill Auction (%)	4.190%		4.195%
12:00PM	Jan/03 Nat gas-EIA, change bcf	-40Bcf	-51Bcf	-116Bcf
1:00PM	30-Yr Bond Auction (bl) ☆	22		
1:00PM	30-Year Bond Auction ☆	4.913%		4.535%
2:00PM	FOMC Minutes ★★			
3:00PM	Nov Consumer credit (bl)	\$-7.49B	\$10.5B	\$19.24B








## Recent Housing News

- Home Prices Remain The Housing Market's Biggest Mixed Blessing
- Mortgage Application Activity Evaporates as Data Catches Up With Rates
- Pending Home Sales at Highest Level in Almost 2 Years

## Mortgage Rates' Holiday Break Ends With Next Week's Economic Data

Even as most of the world has spent the past two days thinking or saying "I can't believe it's 2025 already," mortgage rates won't get back from vacation until next week. They managed to make it through the entire holiday season without any major drama. That was in sharp contrast to the preceding month which saw a decent drop heading into early December and a sharp spike that accelerated aft...

### Mortgage Calculators

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