

MARKET SUMMARY

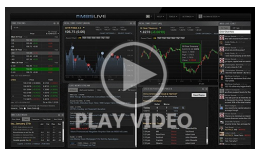
Complete Recap of Today's Market Activity

No Data, No Volatility

Market Summary: Friday, January 10, 2025 - 6:37AM

Bonds were only open for half the day due to the national day of mourning for Jimmy Carter. Overnight markets made for a slightly stronger start and those gains slowly eroded throughout the day. MBS closed at perfectly unchanged levels and 10yr yields were a hair lower as Treasuries continue "healing" after this week's auction cycle. Friday morning brings the jobs report, which is just as much of a potential volatility flash point as it always is.

Latest Video Analysis



No Data, No Volatility



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MBS & Treasury Markets

UMBS 5.5	97.64	-0.53	10YR	4.741%	+0.057%	1/10/2025 11:37AM EST
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MBS Still Positive, But Down an Eighth From Highs

Trading remains slow, sparse, and mostly inconsequential. MBS are still 1 tick (.03) higher on the day but down an eighth of a point from the AM highs. Lenders who released rate sheets at the time of those highs (before 10am ET) could technically justify a small, negative reprice.

10yr yields are still down 2bps on the day at 4.68, but up from lows of 4.644.

Selling seems to have leveled off for now after the most recent weakness.

MBS MORNING: Bonds on Light Duty Ahead of Friday's Jobs Report

MBS MORNING: No Whammies in AM Data, Fairly Friendly Fed Comments

Today's Mortgage Rates

30YR Fixed 7.24% +0.09%

15YR Fixed 6.53% +0.02% 1/10/2025

Mortgage Rates Just a Hair Lower. Friday Could be Much More Volatile

are driven by movement in the bond market and bonds were on a shortened schedule today due to the federal day of mourning for Jimmy Carter. As such, volume and volatility were in short supply. Still, overnight market movement allowed the average lender to offer a microscopic improvement versus yesterday.

Tomorrow (Friday, Jan 9th) is a different story. The big jobs report comes out at 8:30am ET. Bonds routinely react to this report more than any other scheduled monthly data. In other words, there is much higher potential for volatility tomorrow as that reaction plays out.

As always, there is no way to know which direction things will move in response to economic data until we actually have the data in hand. As always, it's not whether the data is higher or lower than last time, but rather, how it comes in compared to the median forecast.

In this case, the median forecast for job creation is 160k, much lower than last month's 227k. If jobs were to come in under 100k, rates would likely improve. If the number is over 200k, rates would likely rise. The unemployment rate is also a consideration. It's expected at 4.2%. Higher is better for rates, and vice versa.

Time	Event	Actual	Forecast	Prior
Friday, Jan 10				
8:30AM	U-6 Unemployment Rate	7.5%		7.8%
8:30AM	Dec Unemployment rate mm (%) ★★	4.1%	4.2%	4.2%
8:30AM	Dec Government Payrolls	33K		33K
8:30AM	Dec Average earnings mm (%) ★	0.3%	0.3%	0.4%
8:30AM	Average Hourly Earnings YoY	3.9%	4%	4%
8:30AM	Dec Average workweek hrs (hr)	34.3	34.3	34.3
8:30AM	Dec Private Payrolls (k)	223K	135K	194K
8:30AM	Dec Non Farm Payrolls ★★	256K	160K	227K
8:30AM	Dec Manufacturing payrolls (k)	-13K	5K	22K
8:30AM	Dec Participation Rate ☆	62.5%		62.5%
10:00AM	Jan U Mich conditions ☆	77.9		75.1
10:00AM	Jan Sentiment: 1y Inflation (%) ☆	3.3%		2.8%
10:00AM	Jan Consumer Sentiment (ip) ☆	73.2	73.8	74.0
10:00AM	Jan Michigan Consumer Expectations Final	70.2		73.3
10:00AM	Jan Sentiment: 5y Inflation (%) ☆	3.3%		3%
12:00PM	WASDE Report (%)			
12:00PM	Dec Quarterly Grain Stocks - Soy	3.1B		0.342B
12:00PM	Dec Quarterly Grain Stocks - Corn	12.074B		1.760B
12:00PM	Dec Quarterly Grain Stocks - Wheat	1.57B		1.98B
1:00PM	Jan/10 Baker Hughes Oil Rig Count	480		482
1:00PM	Jan/10 Baker Hughes Total Rig Count	584		589
4:30PM	Jan/08 Central Bank Balance Sheet			\$6.85T
Monday, Jan 13				
12:00AM	Roll Date - UMBS 30YR			
11:00AM	Dec Consumer Inflation Expectations ☆			3%
11:30AM	52-Week Bill Auction (bl)	84		
11:30AM	3-Month Bill Auction			4.205%
11:30AM	6-Month Bill Auction			4.110%
11:30AM	26-Week Bill Auction (bl)		72	
2:00PM	Dec Federal budget, \$ (bl)			\$-367B

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

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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

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