

MARKET SUMMARY

Complete Recap of Today's Market Activity

Slightly Weaker Drift, But Broadly Uneventful

Market Summary: Tuesday, January 21, 2025 - 5:45AM

Friday may as well have been a 4th weekend day for the bond market. Volume and liquidity were obviously in holiday mode. Trading levels were basically flat, although it might not feel that way if you're seeing MBS prices end the day down more than an eighth of a point. It's unclear whether we're seeing actual weakness at the end of the day or an incidental expression of extremely thin liquidity. Even if it's "real," it's still not bad considering where we were on Tuesday afternoon.

Latest Video Analysis



Slightly Weaker Drift, But Largely Uneventful



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MBS & Treasury Markets

UMBS 5.5	98.62	+0.26	10YR	4.552%	-0.074%	1/21/2025 10:45AM EST
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MBS Down to New Lows in Late Trading

10yr Treasuries just edged back up to perfectly unchanged levels at 4.613. While they haven't spent much time in weaker territory today, they're up from AM lows under 4.57.

MBS have also given up plenty of ground since then with 5.5 coupons currently down 3 ticks (.09) at the lowest levels of the day. Most lenders are now seeing at least an eighth of a point of weakness from AM rate sheet print times. This means negative reprices are still technically possible.

All that having been said, bonds aren't moving in a way that suggests anything too terrifying. The best way to use this alert is as a cue to lock if you were already planning on locking before the 3 day weekend.

ALERT: Down Almost a Quarter Point From AM Highs

MBS MORNING: Pre-3 Day Weekend Volatility is a Thing

Today's Mortgage Rates

30YR Fixed 7.08% +0.00%

15YR Fixed 6.51% +0.01% 1/21/2025

Uneventful Day For Mortgage Rates

are driven by the bond market and Friday was the least active day of the week for bonds. There were no major economic reports to cause rapid changes in trading levels. As such, mortgage rates started out very close to the levels seen yesterday and most lenders didn't make any mid-day changes.

The absence of any significant movement is a victory, of sorts, in light of the ground covered over the past 2 days (the best 2-day improvement since November). On the other hand, rates began the week at the highest levels since May 2024. It's more common to see bigger gains when rates are recovering from long term highs--a fact that detracts from the victory to some extent.

Bonds are closed on Monday for the holiday and Tuesday could see a flurry of market activity in response to political news. There's no way to know if that activity would be good or bad for rates ahead of time, let alone if it will even materialize in the first place.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Tuesday, Jan 21				
11:30AM	26-Week Bill Auction (bl)	84		
11:30AM	3-Month Bill Auction	4.215%		4.225%
11:30AM	6-Month Bill Auction	4.165%		4.180%
11:30AM	26-Week Bill Auction (bl)	72		
1:00PM	26-Week Bill Auction (bl)	85		
1:00PM	52-Week Bill Auction	4.025%		4.070%
1:00PM	52-Week Bill Auction (bl)	48		
1:00PM	42-Day Bill Auction (%)	4.250%		4.210%
Wednesday, Jan 22				
7:00AM	Jan/17 Mortgage Market Index			224.4
7:00AM	Jan/17 MBA Refi Index			575.6
7:00AM	Jan/17 MBA Mortgage Applications			33.3%
7:00AM	Jan/17 MBA 30-yr mortgage rate (%)			7.09%
7:00AM	Jan/17 MBA Purchase Index			162
8:55AM	Jan/18 Redbook yy (%)			4%
10:00AM	Dec CB Leading Index MoM (%)		0%	0.3%
11:30AM	17-Week Bill Auction (%)			4.210%
1:00PM	20-Yr Bond Auction (bl) ★	13		
1:00PM	20-Year Bond Auction			4.686%
4:30PM	Jan/17 API weekly crude stocks (ml)			-2.6M

Recent Housing News

- Homebuilder Confidence Consolidation Continues
- Housing Construction Bounced Back in December Thanks to Multifamily Sector
- Mortgage Applications Improved Even as Rates Moved Higher

Read My Latest Newsletter

Rates Recover After Tame Inflation Data

Last week's big to-do was the jobs report, which sent rates sharply higher. This week's inflation data had a chance to add fuel to that fire or put it out. The inflation report in question was the Consumer Price Index (CPI). In addition to being one of the two most important monthly economic reports, it also turned out to be quite the little firefighter this time around. The following chart ...

Mortgage Calculators

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