

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Bonds Calmly Hold Overnight Gains

Market Summary: Wednesday, January 22, 2025 - 2:49AM

This morning's commentary focused on a bond rally in response to an absence of heavy-handed specificity in Trump's initial salvo of executive orders--specifically with respect to trade policy. In not so many words, massive, immediate tariffs have been referred to agencies for research and comment. Bonds (via futures) rallied on the news yesterday and into the overnight session. Without any new sources of inspiration today, the overnight gains remained intact and volatility was generally absent.

### Latest Video Analysis



Bonds Calmly Hold Overnight Gains

### MBS & Treasury Markets

UMBS 5.5	98.55	-0.02	10YR	4.573%	-0.005%	1/22/2025 7:49 AM EST
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## Bonds Open Stronger Thanks to Tariff Uncertainty

Trump issued numerous executive orders on Monday, but conspicuously absent was any specific directive regarding tariffs. This was one of the key areas of focus for financial markets. While there are few different ways it could be traded, one of the simplest was from an inflation standpoint. With specifics TBD, bonds breathed a modest sigh of relief on inflation implications. There was an immediate reaction at 8:30am yesterday (in futures) following WSJ's reporting on the tariff delay. There's been some volatility in the interim, but bonds have managed to improve a bit more since then.

**ALERT:** MBS Down to New Lows in Late Trading

**ALERT:** Down Almost a Quarter Point From AM Highs



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## Today's Mortgage Rates

30YR Fixed 7.08% +0.00%

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

### Mortgage Rates Unimpacted by New Executive Orders

are driven predominantly by the bond market and bonds were able to clear up a few curiosities on inauguration day. Specifically, traders expected multiple executive orders with several focusing on proposed tariffs.

While history suggests the conventional wisdom may be faulty, the general belief is that tariffs increase inflation. Considering inflation correlates with higher rates, there was some relief in rates when the executive orders concerning tariffs turned out to be less aggressive than expected. In not so many words, the president ordered various agencies to assess trade agreements/deficits and recommend measures to address them, such as tariffs.

Bonds were thus able to hold onto the gains from last week with some additional improvement today. The average mortgage lender wasn't eager to adjust rates, however, with the top tier 30yr fixed rate remaining unchanged from last Friday.

Time	Event	Actual	Forecast	Prior
<b>Wednesday, Jan 22</b>				
7:00AM	Jan/17 Mortgage Market Index	224.6		224.4
7:00AM	Jan/17 MBA Refi Index	558.8		575.6
7:00AM	Jan/17 MBA Mortgage Applications	0.1%		33.3%
7:00AM	Jan/17 MBA 30-yr mortgage rate (%)	7.02%		7.09%
7:00AM	Jan/17 MBA Purchase Index	163.0		162.0
8:55AM	Jan/18 Redbook yy (%)	4.5%		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
<b>Thursday, Jan 23</b>				
8:30AM	Jan/18 Jobless claims 4-wk avg (k)			212.75K
8:30AM	Jan/18 Jobless Claims (k) ★		220K	217K
8:30AM	Jan/11 Continued Claims (ml)		1860K	1859K
10:30AM	Jan/17 Nat gas-EIA, change bcf			-258Bcf
11:00AM	Jan/17 EIA Refinery Crude Runs Change			-0.255M
11:00AM	Jan/17 EIA Crude Oil Imports Change			-1.304M
11:00AM	Jan/17 Crude Oil Inventory (ml)			-1.961M
11:00AM	Jan/17 EIA Distillate Fuel Production Change			-0.021M
11:00AM	Jan/17 EIA Distillate Stocks Change			3.077M
11:00AM	Jan/17 EIA Gasoline Production Change			0.397M
11:00AM	Jan/17 EIA Cushing Crude Oil Stocks Change			0.765M
11:00AM	Jan/17 EIA Gasoline Stocks Change			5.852M
11:00AM	Jan/17 EIA Heating Oil Stocks Change			0.646M
11:30AM	4-Week Bill Auction			4.240%
11:30AM	8-Week Bill Auction			4.235%
12:00PM	Jan/23 15-Year Mortgage Rate			6.27%
12:00PM	Jan/23 30-Year Mortgage Rate			7.04%
1:00PM	10-Year TIPS Auction			2.071%
1:00PM	10-yr Note Auction (bl) ★		20	
4:30PM	Jan/22 Central Bank Balance Sheet			\$6.83T

## 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