

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Uneventful Fed Day, Bonds Eventually Agree

Market Summary: Wednesday, January 29, 2025 - 11:54PM

There's never a way to know with certainty that a Fed announcement will be uneventful, but if we had to assign relative probabilities, today's looked much more likely than normal to pass without a trace. In the immediate wake of the announcement, that didn't look like it was going to happen. Bonds sold quickly due to what seemed to be a notable verbiage change. Then in the press conference, Powell clarified the verbiage change and bonds unwound their initial reaction. MBS and Treasuries thus ended the day perfectly in line with pre-Fed levels, like it never even happened.

### Latest Video Analysis



Uneventful Fed Day, Bonds Eventually Agree



**Brad Roche**

The Mortgage Planner,  
Element Home Loans

[www.TheMortgagePlanner.com](http://www.TheMortgagePlanner.com)

**P:** (704) 728-0191

**M:** (704) 929-7718

400 North Harbor Place  
Davidson NC 28036  
135191

THE  
**MORTGAGE**  
PLANNER



## MBS & Treasury Markets

UMBS 5.5 99.02 +0.09 | 10YR 4.524% -0.016% 1/30/2025 4:54AM EST

### Bonds Back to Pre-Fed Levels

Powell addressed confusion over the policy statement text, basically saying it was only an attempt to shorten a sentence and not to send a signal on inflation. While there's no real way to reconcile the omission of the phrase "inflation has made progress toward the committee's 2 percent objective," markets were willing to take Powell's word for it. Thus began a steady move back toward the levels in place just before the 2pm Fed announcement.

MBS are down 2 ticks (.06) and 10yr yields are up 1.9bps at 4.553.

Some lenders could still be repricing for the worse even though bonds no longer make a case for that. The most reactive lenders (those who already repriced for the worse and who are frequently the earliest to reprice) could be moving back in the other direction if this rally sticks through the end of the press conference.

**ALERT:** First Move After Fed Announcement is Weaker

**COMMENTARY:** Here's What Changed in The New Fed Announcement

## Today's Mortgage Rates

30YR Fixed 7.05% -0.01% | 15YR Fixed 6.47% -0.01% 1/30/2025

### Mortgage Rates Barely Budge After Fed Announcement

Heading into today's Fed announcement, we didn't expect to receive any significant surprise on the stance of monetary policy. Financial markets had long since ruled out the possibility of a rate cut and we knew Powell could only really acknowledge recent progress in inflation data while maintaining that more progress is needed for additional rate cuts. In not so many words, that's exactly what happened.

In so many words, there was a bit of back and forth in the underlying bond market between the 2pm policy statement and the 2:30pm press conference. A verbiage change in the statement caused bonds to lose ground. When bonds lose enough ground in the middle of the day, mortgage lenders can increase rates (in mortgage market jargon, a "negative reprice").

Then in the press conference, Fed Chair Powell clarified the verbiage change such that the market was able to move right back to pre-Fed levels. With that, lenders who hadn't already repriced were thus able to keep the AM rates intact. Only a small handful ended up repricing and as of this writing, a few of them have repriced in the other direction.

All told, the average lender remains right in line with yesterday's latest levels with top tier conventional 30yr fixed rates just over 7%.

Time	Event	Actual	Forecast	Prior
<b>Wednesday, Jan 29</b>				
7:00AM	Jan/24 MBA Mortgage Applications	-2%		0.1%
7:00AM	Jan/24 MBA 30-yr mortgage rate (%)	7.02%		7.02%
7:00AM	Jan/24 MBA Purchase Index	162.4		163
7:00AM	Jan/24 MBA Refi Index	520.9		558.8
7:00AM	Jan/24 Mortgage Market Index	220.0		224.6
8:30AM	Dec Retail Inventories Ex Autos MoM Adv	0.2%		0.5%
8:30AM	Dec Wholesale inventories mm (%) ☆	-0.5%	0.2%	-0.2%
8:30AM	Dec Goods Trade Balance Adv	\$-122.11B	\$-105.4B	\$-102.86B
10:30AM	Jan/24 EIA Gasoline Stocks Change	2.957M	1.5M	2.332M
10:30AM	Jan/24 EIA Gasoline Production Change	-0.044M		-0.043M
10:30AM	Jan/24 EIA Distillate Fuel Production Change	0.028M		-0.473M
10:30AM	Jan/24 EIA Distillate Stocks Change	-4.994M	-2.1M	-3.07M
10:30AM	Jan/24 EIA Cushing Crude Oil Stocks Change	0.326M		-0.148M
10:30AM	Jan/24 Crude Oil Inventory (ml)	3.463M	3.2M	-1.017M
10:30AM	Jan/24 EIA Crude Oil Imports Change	0.532M		0.184M
10:30AM	Jan/24 EIA Heating Oil Stocks Change	0.128M		0.068M
10:30AM	Jan/24 EIA Refinery Crude Runs Change	-0.333M		-1.125M
11:30AM	17-Week Bill Auction (%)	4.190%		4.205%
2:00PM	Fed Interest Rate Decision ★★	4.5%	4.5%	4.5%
2:30PM	Fed Press Conference ★★			
2:30PM	Powell Press Conference ★★			
<b>Thursday, Jan 30</b>				
8:30AM	Q4 GDP Final Sales (%)	3.2%		3.3%
8:30AM	Q4 GDP deflator (%)	2.2%	2.5%	1.9%
8:30AM	Q4 GDP (%) ★	2.3%	2.6%	3.1%
8:30AM	Jan/25 Jobless claims 4-wk avg (k)	212.5K		213.5K
8:30AM	Q4 Real Consumer Spending QoQ Final	4.2%		3.7%
8:30AM	Q4 PCE Prices QoQ Final	2.3%		1.5%
8:30AM	Jan/25 Jobless Claims (k) ★	207K	220K	223K
8:30AM	Q4 Core PCE Prices QoQ Final ☆	2.5%	2.5%	2.2%
8:30AM	Jan/18 Continued Claims (ml)	1858K	1890K	1899K
10:00AM	Dec Pending Home Sales YoY	-5.0%		6.9%
10:00AM	Dec Pending Home Sales (%) ☆	-5.5%	0%	2.2%
10:30AM	Jan/24 Nat gas-EIA, change bcf	-321Bcf	-313Bcf	-233Bcf
11:30AM	4-Week Bill Auction	4.250%		4.265%

Time	Event	Actual	Forecast	Prior
11:30AM	8-Week Bill Auction	4.240%		4.250%
12:00PM	Jan/30 15-Year Mortgage Rate	6.12%		6.16%
12:00PM	Jan/30 30-Year Mortgage Rate	6.95%		6.96%
4:30PM	Jan/29 Central Bank Balance Sheet	\$6.82T		\$6.83T

## Recent Housing News








- Home Price Appreciation Ran Just Above Expectations in November
- Existing Home Sales Inch Up to Highest Levels Since February
- Highest Purchase Applications in a Year? Technically, Yes

## Read My Latest Newsletter

## Can Trump Actually Force Rates to Move Lower?

It turned out to be an intensely boring week for mortgage rates. The average lender stayed right in line with last week until moving slightly higher on Thursday and slightly lower on Friday. This isn't too much of a surprise. Rates are driven by bonds and bonds are most easily influenced by major economic reports--something in extremely short supply this week. Next week bri...

## Mortgage Calculators

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