

MARKET SUMMARY

Complete Recap of Today's Market Activity

Stronger Start + Early Weakness

Market Summary: Thursday, January 30, 2025 - 12:33PM

Bonds rallied in overnight trading. The move was exceptionally linear, without any obvious regard for movement in equities or European bonds. Yields were at session lows ahead of the 8:30am data, but have moved steadily higher afterword. The early weakness almost perfectly offsets the overnight gains, leaving bonds close to unchanged heading into the PM hours.

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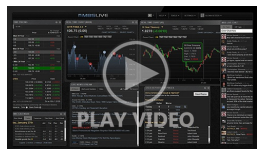
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Market Movement Recap

08:41 AM Slightly weaker after data but still in positive territory. MBS up 2 ticks (.06) and 10yr down 2.7bps at 4.513

Latest Video Analysis



Uneventful Fed Day, Bonds Eventually Agree

MBS & Treasury Markets

UMBS 5.5	98.94	+0.01	10YR	4.515%	-0.025%	1/30/2025 5:33PM EST
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GDP and Jobless Claims could equally contribute to the move. Although GDP came in weaker than expected, the "whisper" numbers were lower as traders expected an even bigger hit from a rush of pre-tariff import activity. The jobless claims result was more straightforward as 2025 has now dropped to the lowest level of non-adjusted, week by week jobless claims compared to recent relevant years.

ALERT: MBS Moving Into Negative Territory

UPDATE: Overnight Gains Cooling a Bit After Data

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
Thursday, Jan 30				
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%
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
Friday, Jan 31				
8:30AM	Dec Core PCE Inflation (y/y) (%) ★		2.8%	2.8%
8:30AM	Dec Core PCE (m/m) (%) ★★		0.2%	0.1%
8:30AM	Q4 Employment Benefits qq (%)			0.8%
8:30AM	Q4 Employment costs (%) ★★		0.9%	0.8%
8:30AM	Dec Personal Income (%)		0.4%	0.3%
8:30AM	Q4 Employment Wages qq (%)			0.8%
8:30AM	Dec Inflation-Adjusted Spending (Consumption) (%)		0.5%	0.4%
8:30AM	Dec PCE (y/y) (%)		2.6%	2.4%
8:30AM	Dec PCE price index mm (%)		0.3%	0.1%
8:30AM	Fed Bowman Speech ☆			
9:45AM	Jan Chicago PMI ☆		40	36.9
1:00PM	Jan/31 Baker Hughes Oil Rig Count			472
1:00PM	Jan/31 Baker Hughes Total Rig Count			576

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