

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Stocks Save Bonds From Modest Losses

Market Summary: Thursday, March 13, 2025 - 5:45PM

You won't always be able to count on the market dynamics we've seen over the past few weeks, but during that time, they've been pretty reliable. Specifically, steep losses in stocks have been helping the bond market more often than not, and today was another example. Bonds started out in slightly weaker territory after the PPI data suggested higher PCE inflation. PCE doesn't come out for 2 weeks, and PPI's top line numbers were good, but markets care more about PCE, hence the paradoxical reaction. Stocks began swooning in earnest in the 11am hour, and bond yields followed suit. After topping out at 4.35%, 10yr yields fell to 4.25+ before leveling off.

### Latest Video Analysis



Saved By Stocks Again



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UMBS 5.5 99.73 +0.06 | 10YR 4.269% -0.042% 3/13/2025 5:00PM EST

### Paradoxical Inflation Report Reaction, PPI Edition

Seemingly overnight (i.e. over the past 30 days when it comes to markets reacting to economic data), the CPI and PPI inflation numbers that normally impact bonds have been overlooked in favor of a handful of line items buried within each report. The line items in question are those that impact the PCE price index (released 2 weeks from now). In today's case, those specific line items pointed toward higher PCE inflation even though headline/core PPI inflation was lower than forecast.

To recap, PCE is a more important inflation number than CPI or PPI, but CPI/PPI come out 2 weeks earlier and several of their components flow directly into the PCE calculation. For the 2nd day in a row, those components were higher (bad for bonds), even though CPI/PPI came in lower.

**UPDATE:** Big Drop in Producer Prices. Mixed Reaction Due to PCE Implications

**MBS MORNING:** Why Aren't Bonds Happier About CPI?

### Today's Mortgage Rates

30YR Fixed 6.78% -0.04% | 15YR Fixed 6.23% -0.01% 3/13/2025

### Mortgage Rates Recover After Starting Slightly Higher

hit their highest levels in just over 2 weeks yesterday and they were on track to remain unchanged today. In fact, the average lender offered the exact same 30yr fixed rate when this morning's initial barrage of rate sheets came out.

Lenders typically publish their first rates of the day around 10am ET, and they prefer to avoid any do-overs. But because rates are based on bonds, when the underlying bond market moves enough, lenders can opt to update their offerings. In the mortgage industry, these instances are referred to as "reprices."

Reprices can happen in either direction. Today's were positive (i.e. lower rates). This was made possible by bond market improvement that came at the expense of stock market weakness. Stocks and bonds don't always have this type of push and pull relationship, but it has been more common in recent weeks as stocks swoon.

Despite the improvement, the general trend in rates has been sideways to slightly higher, but inside the lowest, narrowest range since October.

Time	Event	Actual	Forecast	Prior
<b>Thursday, Mar 13</b>				
8:30AM	Feb PPI YoY	3.2%	3.3%	3.5%
8:30AM	Feb Producer Prices (%)	0%	0.3%	0.4%
8:30AM	Feb PPI Ex Food, Energy and Trade MoM	0.2%		0.3%
8:30AM	Feb PPI Ex Food, Energy and Trade YoY	3.3%		3.4%
8:30AM	Feb Core Producer Prices YY (%) ★	3.4%	3.5%	3.6%
8:30AM	Mar/08 Jobless claims 4-wk avg (k)	226K		224.25K
8:30AM	Feb Core Producer Prices MM (%) ★	-0.1%	0.3%	0.3%
8:30AM	Feb PPI	147.953		147.716
8:30AM	Mar/01 Continued Claims (ml)	1870K	1900K	1897K
8:30AM	Mar/08 Jobless Claims (k) ★	220K	225K	221K
10:30AM	Mar/07 Nat gas-EIA, change bcf	-62Bcf	-50Bcf	-80Bcf
11:30AM	8-Week Bill Auction	4.220%		4.220%
11:30AM	4-Week Bill Auction	4.225%		4.230%
12:00PM	Mar/13 15-Year Mortgage Rate	5.8%		5.79%
12:00PM	Mar/13 30-Year Mortgage Rate	6.65%		6.63%
1:00PM	30-Yr Bond Auction (bl) ☆	22		
1:00PM	30-Year Bond Auction ☆	4.623%		4.748%
4:30PM	Mar/12 Central Bank Balance Sheet	\$6.76T		\$6.76T
<b>Friday, Mar 14</b>				
10:00AM	Mar Consumer Sentiment (ip) ☆	57.9	63.1	64.7
10:00AM	Mar Sentiment: 5y Inflation (%) ☆	3.9%		3.5%
10:00AM	Mar U Mich conditions ☆	63.5	65	65.7
10:00AM	Mar Michigan Consumer Expectations Final	54.2	64.3	64.0
10:00AM	Mar Sentiment: 1y Inflation (%) ☆	4.9%		4.3%
1:00PM	Mar/14 Baker Hughes Oil Rig Count	487		486
1:00PM	Mar/14 Baker Hughes Total Rig Count	592		592

## Recent Housing News

- Big Bounce in Refi Demand Thanks to Lower Rates
- Why Didn't Refi Demand Spike This Week?
- New Home Sales Drop 10.5%. Should You Care?

## The Secret Reason That Rates Bounced This Week

There's a lot for financial markets to digest at the moment. Over the past few weeks, the net effect of that digestion has been good for bonds/rates and bad for stocks. But the prevailing correlation broke down this week and few people in the U.S. truly understand why. That's forgivable, considering there has been a lot to react to in terms of economic data and fiscal updates. Monday's weaker&n...

### Mortgage Calculators

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