

MARKET SUMMARY

Complete Recap of Today's Market Activity

Uneventful Friday, Even if Slightly Weaker

Market Summary: Monday, March 17, 2025 - 2:43AM

Friday's trading session was the most uneventful of the week. It began with moderate losses in the overnight session in concert with stock market gains. Some traders attributed this to improved odds of avoiding a government shutdown by tonight's deadline. The only scheduled economic data was the Consumer Sentiment report which has fallen by the wayside to some extent as the results are increasingly discounted as being clouded by political affiliations of respondents. Nonetheless, the uptick in inflation expectations was notable and worth a bit of extra weakness in bonds at the time. Even so, bonds remains well within the range set by yesterday's trading. The result is an "inside day" in market jargon, which one could either read as "indecisive" or "boring." We'd lean toward the latter.



Dan Beam

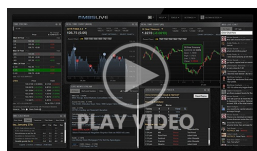
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Latest Video Analysis



Uneventful Friday, Despite Modest Weakness

MBS & Treasury Markets

UMBS 5.5 99.70 +0.12	10YR 4.282% -0.031%	3/17/2025 6:43AM EST
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Markets Trading Shutdown Risks? We'll Find Out Soon

It's been an on-again, off-again week for bonds and several of their trading motivations. Economic data has played its part at times, but not in any excessive way. The same goes for the recently relevant "stock lever" (the tendency for higher stock prices to push bond yields higher and vice versa). It was the latter that was most noticeable in the overnight session with modestly higher stocks and bond yields.

The most basic assumption is that this has something to do with late headlines yesterday regarding the prospects for averting a government shutdown. Whether or not this is the true motivation is nearly moot for two reasons. First off, the extraordinary measures that have prevented a shutdown thus far technically expire today if we take the government at their word. Perhaps more importantly, none of this week's movement in bonds has been very consequential. If anything, it's a garden variety consolidation after hitting multi-month lows last week.

MBS MORNING: Paradoxical Inflation Report Reaction, PPI Edition

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

Today's Mortgage Rates

30YR Fixed 6.81% +0.03%

15YR Fixed 6.25% +0.02%

3/14/2025

Mortgage Rates Hold Very Steady, Yet Again

Despite some ups and downs on a small scale, have been sideways in the bigger picture. That's a good thing if the latest refi application data is any indication. Demand is at the highest levels since October as rates have generally been holding near mid-October levels.

Today was just another day in that regard. Bonds (which dictate rates) were slightly weaker overnight (bond weakness implies higher rates). As as often been the case recently, stocks played a role in the rate movement. Prospects for a debt ceiling deal may have contributed to market optimism.

With that, mortgage rates were just a few tenths of a percent higher than yesterday, but to reiterate, not too far from yesterday's latest levels.

Economic Calendar

Last Week

This Week

Next Week

Time	Event	Actual	Forecast	Prior
Monday, Mar 17				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
8:30AM	Feb Retail Sales YoY	3.1%		4.2%
8:30AM	Feb Retail Sales Control Group MoM ★	1%	0.2%	-0.8%
8:30AM	Feb Retail Sales Ex Gas/Autos MoM	0.5%	0.4%	-0.5%
8:30AM	Feb Retail Sales (%) ☆	0.2%	0.6%	-0.9%
8:30AM	Mar NY Fed Manufacturing ☆	-20	-0.75	5.7
8:30AM	Feb Retail Sales (ex-autos) (%)	0.3%	0.4%	-0.4%
10:00AM	Jan Retail Inventories Ex Autos MoM Adv	0.5%	0.4%	-0.1%
10:00AM	Jan Business Inventories (%) ☆	0.3%	0.3%	-0.2%
10:00AM	Mar NAHB housing market indx ☆	39	42	42
11:30AM	26-Week Bill Auction (bl)	76		
11:30AM	3-Month Bill Auction			4.200%
11:30AM	6-Month Bill Auction			4.075%
11:30AM	26-Week Bill Auction (bl)		68	
12:00PM	NOPA Crush Report (%)			
Tuesday, Mar 18				
8:30AM	Feb Building Permits (ml)		1.450M	1.473M
8:30AM	Feb Export prices mm (%)		2%	1.3%
8:30AM	Feb Build permits: change mm (%)			-0.6%

Time	Event	Actual	Forecast	Prior
8:30AM	Feb Export Prices YoY			2.7%
8:30AM	Feb Import prices mm (%)		-0.1%	0.3%
8:30AM	Feb Housing starts number mm (ml)		1.375M	1.366M
8:30AM	Feb Import Prices YoY			1.9%
8:30AM	Feb House starts mm: change (%)			-9.8%
8:55AM	Mar/15 Redbook yy (%)			5.7%
9:15AM	Feb Industrial Production YoY			2%
9:15AM	Feb Industrial Production (%) ☆		0.2%	0.5%
9:15AM	Feb Manufacturing Production YoY			1%
9:15AM	Feb Manufacturing Production MoM			-0.1%
9:15AM	Feb Capacity Utilization (%)		77.8%	77.8%
11:30AM	26-Week Bill Auction (bl)	70		
11:30AM	52-Week Bill Auction			4.05%
11:30AM	52-Week Bill Auction (bl)		48	
1:00PM	20-Yr Bond Auction (bl)	13		
1:00PM	20-Year Bond Auction			4.83%
4:30PM	Mar/14 API weekly crude stocks (ml)			4.247M
8:00PM	International Monetary Market (IMM) Date (%)			

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?](#)

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Interest Rates Had a Boring Week, And That's a Good Thing

Rates rocketed lower with stunning consistency starting in late February. They finally bounced last week, but rather than move back up to previous levels, they held in a relatively narrow, sideways range. That set the stage for a showdown this week. OK, a "showdown" may be a bit dramatic, but it's not an overstatement to say that rates were ready to embark on a new journey higher or lower, depe...

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