

MARKET SUMMARY

Complete Recap of Today's Market Activity

Bring on The Dots

Market Summary: Wednesday, March 19, 2025 - 2:52PM

Today's only big ticket calendar event is the Fed announcement, but that is more like 3 separate events over the course of roughly 2 hours. The announcement itself (2pm ET) contains the text of the official policy statement as well as confirmation that the Fed Funds Rate will remain unchanged. Occasionally, changes to the verbiage can have an impact on bonds. Also out at 2pm is the Fed's summary of economic projections (SEP) which contains the illustrious dot plot (a chart with each Fed member's best guess on where the Fed Funds Rate will be in the coming years). The SEP is only at every other meeting. This is one of them. On SEP meetings (Mar, Jun, Sep, Dec), the dot plot often steals the show. The Fed Chair holds a press conference at every meeting (2:30pm) which can either add momentum to the 2pm trading impulse, push back against it, or both. In today's case, we're not expecting any specific fireworks, but volatility is always a stronger possibility on dot plot Fed days.



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Market Movement Recap

- 10:34 AM Roughly unchanged overnight and slightly weaker in the past hour. MBS down an eighth and 10yr up 1.6bps at 4.302
- 01:00 PM Sideways since the last update. MBS down 3 ticks on the day and 10yr up 2.4bps at 4.311
- 02:25 PM Stronger after Fed announcement (greatly slowing the pace of Treasury tightening). MBS up 2 ticks (.06) and 10yr down 1.3bps at 4.274

Latest Video Analysis



Low Volatility Session Ahead of Fed Day

MBS & Treasury Markets

UMBS 5.5 99.91 +0.19 | 10YR 4.244% -0.042% 3/19/2025 5:00PM EST

CORRECTION: Not Dots. QT Tapering

The previous post-Fed update focused on the dot plot, but the before and after chart was not accurate. This is the real version, and much more in line with our expectations for a 'light shuffling' of dots.

This would imply the market movement motivation is instead coming from the announcement of the Fed tapering the quantitative tightening in Treasuries. In other words, they will be able to reinvest more of the balance sheet proceeds that had previously been running off into the void. Simplest brass tacks: the Fed can buy more bonds.

UPDATE: First Move is Stronger After Fed Dots Drop for 2025

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

Today's Mortgage Rates

30YR Fixed 6.76% -0.02% | 15YR Fixed 6.22% -0.02% 3/19/2025

Mortgage Rates Started Higher, But Ended Lower

As we often discuss, mortgage lenders prefer to set their rates once per day. They only make changes when the underlying bond market makes a big enough move. While it wasn't an extreme example, many lenders made such changes today as bonds improved steadily throughout the day.

Before the improvements, the average lender was offering slightly higher rates compared to yesterday. After the improvement, today's rates are a hair lower than yesterday's. In both cases, rates continue holding inside a narrow range just off the best levels since mid October.

There were several economic reports this morning, but they didn't have a material impact on rates. Tomorrow's key event is the Fed announcement and press conference. This announcement is one of only 4 per year where the Fed will update its rate projections--something that often causes volatility across the rate spectrum. Those projections come out at 2pm ET and Fed Chair Powell holds the customary press conference 30 minutes later.

We're not expecting any specific outcome in terms of the direction of movement in and in general, this Fed announcement is a bit less consequential than many recent examples. Nonetheless, potential volatility is always factor on Fed days, even if the volatility doesn't materialize.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Wednesday, Mar 19				

Time	Event	Actual	Forecast	Prior
12:00AM	Roll Date - Ginnie Mae 30YR			
7:00AM	Mar/14 Mortgage Market Index	252.5		269.3
7:00AM	Mar/14 MBA Refi Index	794.4		911.3
7:00AM	Mar/14 MBA 30-yr mortgage rate (%)	6.72%		6.67%
7:00AM	Mar/14 MBA Purchase Index	154.7		154.6
7:00AM	Mar/14 MBA Mortgage Applications	-6.2%		11.2%
10:30AM	Mar/14 EIA Heating Oil Stocks Change	0.008M		-0.183M
10:30AM	Mar/14 EIA Gasoline Stocks Change	-0.527M	-2.0M	-5.737M
10:30AM	Mar/14 EIA Gasoline Production Change	0.067M		-0.078M
10:30AM	Mar/14 EIA Distillate Stocks Change	-2.812M	-0.1M	-1.559M
10:30AM	Mar/14 EIA Cushing Crude Oil Stocks Change	-1.009M		-1.228M
10:30AM	Mar/14 EIA Distillate Fuel Production Change	0.151M		-0.113M
10:30AM	Mar/14 EIA Crude Oil Imports Change	-1.439M		0.503M
10:30AM	Mar/14 Crude Oil Inventory (ml)	1.745M	1.1M	1.448M
10:30AM	Mar/14 EIA Refinery Crude Runs Change	-0.045M		0.321M
11:30AM	17-Week Bill Auction (%)	4.195%		4.180%
2:00PM	Fed Interest Rate Decision ★★	4.5%	4.5%	4.5%
2:00PM	Interest Rate Projection - 1st Yr	3.4%		3.9%
2:00PM	FOMC Economic Projections ★★			
2:00PM	Interest Rate Projection - 2nd Yr	3.1%		3.4%
2:00PM	Interest Rate Projection - Longer	3%		3%
2:00PM	Interest Rate Projection - Current	3.9%		4.4%
2:30PM	Fed Press Conference ★★			
2:30PM	Powell Press Conference ★★			
4:00PM	Jan Net Long-Term Flows, excluding swaps (TIC data) (bl)	\$-45.2B	\$101.1M	\$72B
4:00PM	Jan Overall net capital flows (TIC Data) (bl)	\$-48.8B		\$87.1B
4:00PM	Jan Foreign Buying, Bonds (TIC Data) (bl)	\$-13.3B		\$-49.7B
Thursday, Mar 20				
8:30AM	Mar/08 Continued Claims (ml)		1890K	1870K
8:30AM	Q4 Current account (bl)		\$-325.5B	\$-310.9B
8:30AM	Mar/15 Jobless claims 4-wk avg (k)			226K
8:30AM	Mar Philly Fed Business Conditions			27.8

Time	Event	Actual	Forecast	Prior
8:30AM	Mar/15 Jobless Claims (k) ★		224K	220K
8:30AM	Mar Philly Fed Prices Paid			40.50
8:30AM	Mar Philly Fed New Orders			21.9
8:30AM	Mar Philly Fed CAPEX Index			14.00
8:30AM	Mar Philly Fed Business Index ☆		8.5	18.1
8:30AM	Mar Philly Fed Employment			5.3
10:00AM	Feb CB Leading Index MoM (%)		-0.2%	-0.3%
10:00AM	Feb Existing home sales (ml) ☆		3.95M	4.08M
10:00AM	Feb Exist. home sales % chg (%) ☆			-4.9%
10:30AM	Mar/14 Nat gas-EIA, change bcf		5Bcf	-62Bcf
11:30AM	8-Week Bill Auction			4.220%
11:30AM	4-Week Bill Auction			4.225%
12:00PM	Mar/20 30-Year Mortgage Rate			6.65%
12:00PM	Mar/20 15-Year Mortgage Rate			5.8%
1:00PM	10-yr TIPS Auction (bl)	18		
1:00PM	10-Year TIPS Auction			2.243%
4:30PM	Mar/19 Central Bank Balance Sheet			\$6.76T

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?

Read My Latest Newsletter

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...

Mortgage Calculators

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

