

MARKET SUMMARY

Complete Recap of Today's Market Activity

Data Helped, But Wild Cards Remain on Deck

Market Summary: Wednesday, April 2, 2025 - 8:27AM

This morning's economic data wasn't immediately and obviously worthy of credit for the bond rally that followed, largely because the bond rally that followed was fairly small. Most of the day's gains were in place beforehand. The data (lower ISM/employment, job openings, and job quits) helped keep bonds near the stronger end of the day's range, and thus, the stronger end of the 5 week range. There's more data on Wednesday, but the biggest wild card may be the long-awaited tariff announcement in the afternoon.

Latest Video Analysis



Data Helped, But Wild Cards Remain on Deck



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MBS & Treasury Markets

UMBS 5.5	100.03	-0.03	10YR	4.157%	-0.005%	4/2/2025 5:00PM EST
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Minimal Reaction to Stronger ADP Employment

- ADP Employment
 - 155k vs 105k f'cast, 77k prev

This is fairly well within the realm of a modest to moderate beat in the ADP data, and thus not worth a big freak out on the part of the bond market. Yields were a bit lower in the overnight session (after battling back from initial weakness in Asia), and have only given back a fraction of those gains following the data.

MBS are still up 3 ticks (.09) and 10yr yields are down 1.9bps at 4.144.

MBS MORNING: Bonds Look Past Higher Manufacturing Prices

ALERT: Negative Reprices Becoming More Likely

Today's Mortgage Rates

30YR Fixed 6.75% +0.04%

15YR Fixed 6.14% +0.02%

4/2/2025

Lowest Mortgage Rates in Nearly a Month

While continue operating in a range that is generally flat and narrow over the past 5 weeks, it's also true that today's rates are on the lower edge of that range. Because there's not much of a gap between the highs and the lows, it didn't take a major move to facilitate today's little victory, but it is notable that we've seen 3 victories in a row now.

In other words, rates have fallen by a modest amount on each of the past 3 business days. To reemphasize the narrowness of the range, we were at the highest levels 4 days ago.

30yr Fixed Mortgage Rate Index



source: MND.NEWS

Today's victory wasn't necessarily a given. It relied on the bond market's reaction to today's economic data. Bonds drive rates, and econ data can be a key motivation for bonds. Weaker data tends to help bonds improve, thus pushing rates lower.

Several of this morning's economic reports were slightly weaker than expected. In and of themselves, they may not have helped rates, but with the unified message of economic uncertainty, it was enough to usher rates toward the lower range boundary.

Time	Event	Actual	Forecast	Prior
Wednesday, Apr 02				
7:00AM	Mar/28 MBA Refi Index	710.4		752.4
7:00AM	Mar/28 MBA Purchase Index	158.2		155.8
8:15AM	Mar ADP jobs (k) ☆	155K	105K	77K
9:00AM	Mar Total Vehicle Sales (ml)	17.77M	15.9M	16.0M
10:00AM	Feb Factory orders mm (%)	0.6%	0.5%	1.7%
10:30AM	Mar/28 Crude Oil Inventory (ml)	6.165M	-2M	-3.341M
11:30AM	17-Week Bill Auction	4.200%		4.200%
4:00PM	Reciprocal Tariff Plan Announcement (%) ★★			
4:30PM	Fed Kugler Speech ☆			
Thursday, Apr 03				
7:30AM	Mar Challenger layoffs (k)	275.24K		172.017K
8:30AM	Mar/22 Continued Claims (ml)	1903K	1860K	1856K
8:30AM	Feb Trade Gap (bl)	\$-122.7B	\$-123.5B	\$-131.4B
8:30AM	Mar/29 Jobless Claims (k) ★	219K	225K	224K
9:45AM	Mar S&P Global Composite PMI ☆	53.5	53.5	51.6
9:45AM	Mar S&P Global Services PMI ★★	54.4	54.3	51
10:00AM	Mar ISM Services Employment	46.2		53.9
10:00AM	Mar ISM Services Prices	60.9		62.6
10:00AM	Mar ISM Biz Activity ★	55.9		54.4
10:00AM	Mar ISM N-Mfg PMI ★★	50.8	53	53.5
12:30PM	Fed Jefferson Speech ☆			
2:30PM	Fed Cook Speech ☆			








Recent Housing News

- Pending Home Sales Crack Half-Hearted Smile Amid Longer Term Depression
- Purchase Applications Improve; Refinancing Ebbs
- New Home Sales Should Come With a Warning

Inflation Told Rates to Rise. Rates Didn't Listen

Heading into the week, market watchers knew (or thought they knew) that Friday's PCE inflation data had a chance to help or hurt interest rates more than any other economic report. When PCE came out higher than expected on Friday morning, market watchers knew (or thought they knew) what would happen next. But instead, the opposite happened. Events like this se...

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