

MARKET SUMMARY

Complete Recap of Today's Market Activity

Late Day Volatility on Tariff Speech

Market Summary: Wednesday, April 2, 2025 - 9:56PM

The long-awaited tariff speech took markets for a ride in both directions this afternoon. After the dust settled, the net effect was "buy bonds, sell stocks." Notably, that was a sharp departure from the initial net effect during the early part of Trump's speech. The ultimately friendly result was enough to get Treasuries back into positive territory and for MBS to get sorta close. In the bigger picture, the volatility didn't really matter as both stocks and bonds remained in the same old ranges.

Latest Video Analysis



Late Day Volatility on Tariff Speech



Nick Hunter

President, Owner, River City Mortgage, LLC

www.rchomeloans.com



MBS & Treasury Markets

UMBS 5.5	100.40	+0.31	10YR	4.032%	-0.091%	4/3/2025 5:00PM EST
----------	--------	-------	------	--------	---------	---------------------

Bonds Reverse and Move Into Stronger Territory As Trump Says Tariffs are "Half"

In case you were confused about the "reciprocal" comments earlier in Trump's speech, and thought that meant "tit for tat" in direct proportion, Trump just clarified that the math is actually "1/2 tit for 1 tat." In other words, reciprocal tariffs are half the percentage of foreign tariffs.

Rather than try to make sense of this, let's just focus on what the market is doing: rallying back into positive territory.

MBS are back up to unchanged and 10yr yields are down 2.3bps at 4.14.

ALERT: New Lows in Response to Tariff Announcement

ALERT: Negative Reprices Becoming More Likely

Today's Mortgage Rates

30YR Fixed	6.63%	-0.12%	15YR Fixed	6.05%	-0.09%	4/3/2025
------------	-------	--------	------------	-------	--------	----------

Mortgage Rates Edge Slightly Higher, But Tomorrow is Anyone's Guess

didn't move much today, which is pretty crazy considering the volatility present in financial markets in the afternoon. That's when the long awaited tariff announcement speech took place. There was always a decent chance of a whipsaw in response and a whipsaw is what we got.

Fortunately, the net effect for the bond market (bonds dictate) was positive. In other words, interest rates received good news while stocks received bad news.

The catch is that bond had been having a somewhat downbeat day until then. As such, the favorable reaction to the tariff news merely got the bond market back to suggesting fairly flat interest rates compared to yesterday's latest levels. Most lenders will wait until tomorrow to make any friendly adjustments, and that assumes bonds hold at the same levels overnight.

Bottom line: plenty of market volatility in the afternoon, but ultimately implying very little change in mortgage rates.

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...

Mortgage Calculators

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