

MARKET SUMMARY

Complete Recap of Today's Market Activity

Late Day Volatility on Tariff Speech

Market Summary: Wednesday, April 2, 2025 - 11:07PM

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.



Matt Graham
Founder and CEO, MBS Live

MBSLIVE

Latest Video Analysis



Late Day Volatility on Tariff Speech

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 N-Mfg PMI ★★ | 50.8 | 53 | 53.5 |
| 10:00AM | Mar ISM Biz Activity ★ | 55.9 | | 54.4 |
| 10:00AM | Mar ISM Services Employment | 46.2 | | 53.9 |
| 10:00AM | Mar ISM Services Prices | 60.9 | | 62.6 |
| 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](#)