

MARKET SUMMARY

Complete Recap of Today's Market Activity

Global Markets in Flight to Safety After Tariff News

Market Summary: Thursday, April 3, 2025 - 12:01PM

While plenty of uncertainty remains over the finer points of Wednesday afternoon's tariff announcement, markets have heard enough to brace for impact on global trade. That "bracing" is being traded in the form of a flight to safety (sell stocks, buy bonds) that began yesterday and continued overnight. 10yr yields were already close to 4.0% before this morning's weaker ISM Services data, and have been inching closer since then.

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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
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That said, the additional "inching" isn't really in response to ISM. Almost all of today's trading looks like an afterthought compared to yesterday's initial tariff reaction and the early overnight trading.

UPDATE: Additional Gains After Weaker ISM Data, But They're Not Sticking

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

Today's Mortgage Rates

30YR Fixed	6.63%	-0.12%	15YR Fixed	6.05%	-0.09%	4/3/2025
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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
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 ☆			
Friday, Apr 04				
8:30AM	Mar Participation Rate ☆	62.5%		62.4%
8:30AM	Mar Average earnings mm (%) ★	0.3%	0.3%	0.3%
8:30AM	Mar Non Farm Payrolls (k) ★★	228K	135K	151K
8:30AM	Mar Unemployment rate mm (%) ★★	4.2%	4.1%	4.1%
11:25AM	Fed Chair Powell Speech ★★			
12:00PM	Fed Barr Speech ☆			
12:45PM	Fed Waller 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

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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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