

MARKET SUMMARY

Complete Recap of Today's Market Activity

Huge Overnight Gains on Trade War Escalation; Jobs Report an Afterthought

Market Summary: Friday, April 4, 2025 - 11:35AM

Despite today being "jobs report Friday," and despite the jobs report perennially having the power to cause big volatility for financial markets, overnight developments proved to be far more consequential. Specifically, China's announcement of retaliatory tariffs send stocks and bond yields into a swan dive at 6am ET. The stronger jobs report ended up having very little impact by comparison. Even now, trade headlines regarding Trump's call with Vietnam are doing more to move markets than econ data. Bonds are still stronger, but not as strong as they were in the early morning hours.

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Big, Early Rally, Then Flat All Day



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UMBS 5.5	100.32	-0.06	10YR	4.005%	-0.024%	4/4/2025 5:00PM EST
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Weakest Levels After Vietnam Trade Headlines

10yr yields are still down just under 7bps on the day, but up to their highest levels at 3.965. This follows headlines suggesting Vietnam could lower tariffs to 0%.

MBS are still up 5 ticks on the day, but down more than a quarter point from AM highs. Early pricing lenders could technically justify negative reprices.

- UPDATE: NFP Much Stronger, But Unemployment Up; No Immediate Reaction
- MBS MORNING: Global Markets in Flight to Safety After Tariff News

Today's Mortgage Rates

30YR Fixed	6.60%	-0.03%	15YR Fixed	6.02%	-0.03%	4/4/2025
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Lowest Mortgage Rates in More Than 5 Months

Yesterday afternoon's tariff announcement sent financial markets on a ride that ultimately resulted in sharply lower stock prices and moderately lower bond yields. Stocks don't always correlate with bond yields, but that has been a common pattern since late February.

The correlation between bond yields and , on the other hand, is perpetual and nearly flawless. After all, "yield" is just another word for "rate." Additionally, mortgage rates are based on mortgage-backed securities (MBS) which are basically bonds.

All that to say: rates have been benefitting from the market chaos that's been hurting stocks, and stocks got hurt quite a bit over the past 24 hours. Considering the average 30yr fixed rate was already close to its lowest levels since mid October yesterday, it's no surprise to see an official breakout today.

[thirtyyearmortgagerates]

Tariffs and stock market volatility are not the only games in town for rates. Economic data is also very important and tomorrow's jobs report is typically the most important economic report of any given month. Depending on the results, it could help rates move even lower or bounce back up into the recent range.

Time	Event	Actual	Forecast	Prior
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 ☆			
Monday, Apr 07				
10:30AM	Fed Kugler Speech ☆			
3:00PM	Feb Consumer credit (bl)	\$-0.81B	\$15.2B	\$18.08B

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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