

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Bonds Getting Hit From Tariff Updates, Real or Otherwise

Market Summary: Monday, April 7, 2025 - 3:57PM

It's been an interesting Monday so far for the bond market (and stock market for that matter). Despite a big **risk-off** move (stocks and yields lower) to start the overnight session, markets gradually unwound that trade starting in Europe. Motivation generally stemmed from a cavalcade of headlines suggesting that US trade partners were "willing to negotiate on tariffs." Then sentiment kicked into overdrive when a headline hit the wires regarding a potential 90 day tariff pause. It has since been debunked, but the some of the associated selling pressure remains. Don't think of this as markets ignoring reality. Rather, yields have simply moved back in line with the prevailing selling trend that began around 4am ET.

### Latest Video Analysis



Wild Round Trip Leaves MBS Weaker Despite Huge Initial Rally

### MBS & Treasury Markets

UMBS 5.5 99.59 **-0.75** | 10YR 4.185% **+0.179%** 4/7/2025 5:00PM EST

## New Lows; Ongoing Reprice Risk

MBS are down nearly half a point on the day now and more than a quarter point from most lenders' rate sheet print times. As such, negative reprices are more likely than not.

10yr yields are "only" up 13.2bps at 4.137 versus the brief visit to 4.18 earlier this morning.

**MBS MORNING:** Bonds Getting Hit From Tariff Updates, Real or Otherwise

**UPDATE:** Much of The Recent Weakness Erased as Headline Labeled "Fake News"



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## Today's Mortgage Rates

30YR Fixed 6.82% +0.22%

15YR Fixed 6.20% +0.18% 4/7/2025

### Rate Rally Reverses, But Focus on Bigger Picture

This week is ending with the average top tier 30yr fixed mortgage rate at its lowest level since early October, 2024. The only way to be disappointed about that would be to focus on the fact that rates were even lower this morning.

Rates fell sharply due to the market's ongoing reaction to Wednesday's tariff announcement and especially due to China's announcement of retaliatory tariffs overnight. Bonds (which dictate rates) were at their strongest levels right at the start of domestic trading, but progressively erased gains. Why?

There are several ways to make a case for Friday's rate reversal. These include but are not limited to 3 key events:

1. A reasonably strong jobs report
2. News that Vietnam would lower tariffs on the U.S. (which acted as a proof of concept suggesting tariffs could end up being less onerous than feared)
3. Fed Chair Powell expressing renewed concern over the inflationary impact of tariffs as opposed to offering any indication that the Fed would be eager to cut rates in response to economic turmoil

In addition to those actual nuts and bolts, one could also consider that rates quite simply covered a ton of ground this week, relative to their recent tendencies, and it's not unheard of for traders to circle the wagons on a Friday afternoon (i.e. to push back slightly on the prevailing momentum).

Again, the average rate is still as low as it's been since October. If there's anything to be less than enthusiastic about, it's the fact that the nature of this motivation means that volatility remains a distinct risk, for better or worse.

## Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
<b>Monday, Apr 07</b>				
10:30AM	Fed Kugler Speech ☆			
3:00PM	Feb Consumer credit (bl)	-\$-0.81B	\$15.2B	\$18.08B
<b>Tuesday, Apr 08</b>				
6:00AM	Mar NFIB Business Optimism Index		101.3	100.7
1:00PM	3-Yr Note Auction (bl)		58	
2:00PM	Fed Daly Speech ☆			








## Recent Housing News

- Mortgage Applications Ebbled This Week, But Next Week Could Be a Different Story
- Pending Home Sales Crack Half-Hearted Smile Amid Longer Term Depression
- Purchase Applications Improve; Refinancing Ebbs

## Lowest Rates Since October as Tariffs Spark Staggering Volatility

It was a great week for fans of chaos, volatility, and low interest rates as all 3 were delivered in spades. Despite the presence of several big ticket economic reports, the catalyst was Wednesday afternoon's tariff announcement followed by the international response on Thursday night. For the most part, the market has been responding to tariff news by selling stocks and buying bonds. Because m...

### Mortgage Calculators

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