

MARKET SUMMARY

Complete Recap of Today's Market Activity

Big (Bad) Things Are Happening in Bonds

Market Summary: Friday, April 11, 2025 - 2:56PM

There have been some bad weeks for bonds here and there over the careers of most anyone who's alive to read these words, but unless your career began before 1981 (and unless something changes drastically in the next 3 hours), you just lived through the worst week you've ever seen in terms of the jump in 10yr yields. Such things don't happen without reasons. Econ data is obviously out the window as this morning's sharply lower producer inflation did nothing to help. The laundry list of other reasons is largely unchanged as this move is a glacial sort of thing that is simply in motion until and unless something stops it. Laundry lists have been discussed in the past 2 MBS Live Recaps/Videos, and no doubt will be today as well.

Latest Video Analysis



The Reasons May be Esoteric, But The Selling is Real



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UMBS 5.5	98.22	-0.14	10YR	4.494%	+0.061%	4/11/2025 5:00PM EST
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Here's a brief overview/preview/review:

WHY SELLING?!

1. Carry trade deleveraging
2. raising cash for other trades, tax payments, capital calls, uncertainty
3. Tariff implications for foreign Treasury demand
4. NOT as much about inflation, but more and more talk about tariffs causing future problems
5. Fed rate expectations keeping 2yr locked down, so all bond market losses must happen in long end, effectively doubling the drama
6. Dollar devaluation forcing TSY liquidations
7. Budget resolution left out 1.5T in spending cuts (TSY issuance implications)
8. Lack of confidence that tariff revenue will do the heavy lifting originally advertised (TSY issuance implications).

ALERT: MBS Already Down a Quarter Point

UPDATE: Huge Drop in PPI; Don't Expect Fireworks

Today's Mortgage Rates

30YR Fixed 7.07% +0.10%

15YR Fixed 6.48% +0.08%

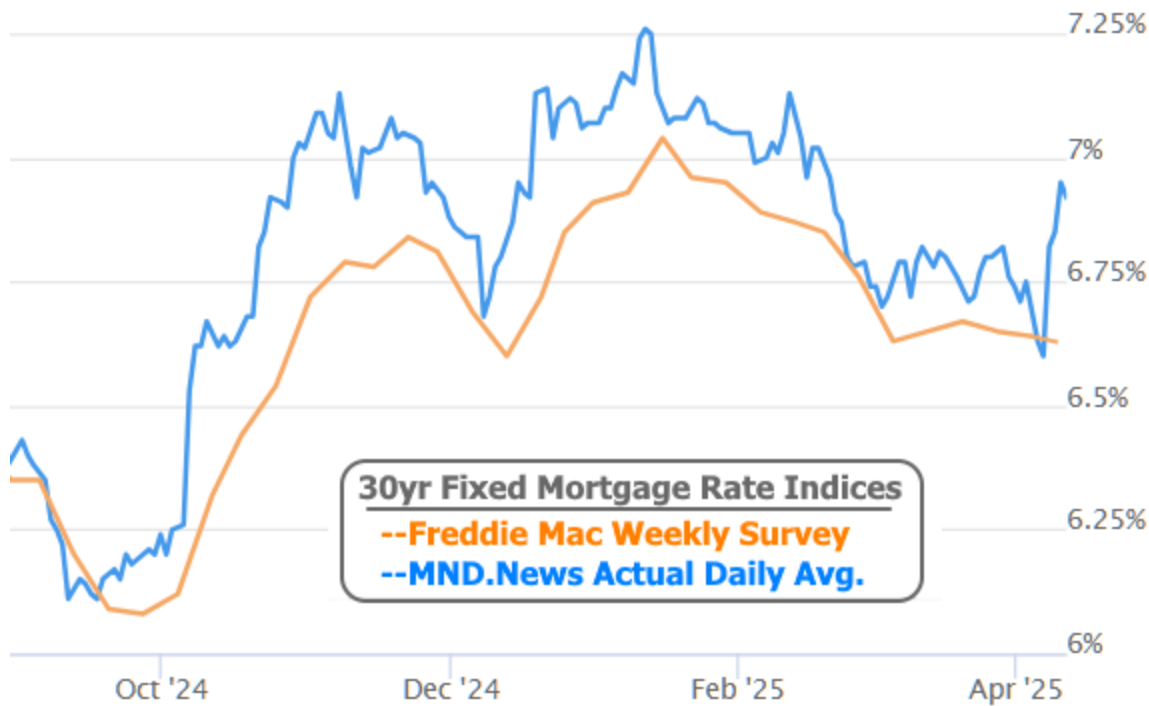
4/11/2025

Mortgage Rates Are Actually MUCH Higher This Week

This article is not intended to report on the weekly Freddie Mac rate survey, but we'll have to reference it in order to participate in reality. To be fair, Freddie's survey is perfectly real, but it's unfortunately quite stale. That isn't always a problem, but it is today.

Freddie reports that this week's fell to 6.62 from 6.64. Per survey methodology, that's the average rate between last Thursday and yesterday. The issue is that there's been a lot of upward rate movement during the past few days--more than enough to see that today's rates are significantly higher than anything seen last week, or last month, for that matter.

The average lender is up about 0.30-0.35% from the end of last week.



There are several reasons that the blue line is almost always higher than the orange line, but that's not important for today. What's important is that there's been a fairly big jump in rates that the Freddie survey is too stale to have caught. News outlets will run stories suggesting mortgage rates are lower this week when, in fact, they are markedly higher.

Time	Event	Actual	Forecast	Prior
Friday, Apr 11				
12:00AM	Roll Date - UMBS 30YR			
8:00AM	Fed Kashkari Speech ☆			
8:30AM	Mar Producer Prices (%)	-0.4%	0.2%	0%
8:30AM	Mar Core Producer Prices YY (%) ★	3.3%	3.6%	3.4%
8:30AM	Mar Core Producer Prices MM (%) ★	-0.1%	0.3%	-0.1%
9:00AM	Fed Collins Speech ☆			
10:00AM	Apr Sentiment: 1y Inflation (%) ☆	6.7%		5%
10:00AM	Apr Sentiment: 5y Inflation (%) ☆	4.4%		4.1%
10:00AM	Apr U Mich conditions ☆	56.5	61.5	63.8
10:00AM	Apr Consumer Sentiment (ip) ☆	50.8	54.5	57.0
10:00AM	Fed Musalem Speech ☆			
11:00AM	Fed Williams Speech ☆			
Monday, Apr 14				
11:00AM	Mar Consumer Inflation Expectations ☆	3.6%		3.1%
12:00PM	Fed Barkin Speech ☆			
1:00PM	Fed Waller Speech ☆			
6:00PM	Fed Harker Speech ☆			
7:40PM	Fed Bostic Speech ☆			

Recent Housing News

- Mortgage Applications Ebbd 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

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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
-  Loan Comparison
-  Advanced Loan Comparison
-  Early Payoff
-  Should I Refinance?
-  Rent vs. Buy
-  Blended Rate