

MARKET SUMMARY

Complete Recap of Today's Market Activity

Rough Week For Bonds. No Help From Friendly Data

Market Summary: Sunday, April 13, 2025 - 12:45AM

Bonds managed to recover modestly after the initial yield spike in the morning hours, but nonetheless earned the honor of seeing the biggest week over week jump in 10yr yields since 1981 (note: some outlets are saying 2001 or 1987, but we're not seeing that, and it doesn't really matter. It was a rough week, is the point). Looked at as a 2 week time frame, and it was on par with many other recent examples of moderately brisk selling. That leaves the upcoming week and a half in a great position to let us know how freaked out we should be.

Latest Video Analysis



Rough Week For Bonds. No Help From Friendly Data



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UMBS 5.5 98.22 -0.14 | 10YR 4.494% +0.061% 4/11/2025 5:00PM EST

Big (Bad) Things Are Happening in Bonds

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.

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. Budge 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 Jump Back Above 7%

It has undoubtedly been an extremely volatile week for financial markets and that includes the U.S. bond market to be sure. As an example, the poster child for the U.S. bond market, the 10yr Treasury, saw its biggest week-over-week increase since 1981.

As we often discuss, are based on bonds that share many similarities with U.S. Treasuries, so it's no surprise to see chaos in that market and a concomitant jump in mortgage rates. In general, mortgage rates and bond yields are exceptionally well correlated (after all, a "yield" is the rate paid by a bond).

As with much of this week's drama, today's move didn't have one distinct motivation. The weakness speaks to a broad shift in the outlook for US Treasury demand. Digging any deeper would require esoteric explanations of underlying market structures. The bottom line is that investors are rattled by rapid changes in policy, as well as uncertainty about how those changes will ultimately settle and impact the market.

As for the mortgage market, we've certainly seen worse individual days and weeks, but the rate spike definitely ranks on the brisk side of the spectrum. The average lender moved up by roughly an eighth of a percent today with the nearest typical quoted rate being 7.125% for a top tier conventional 30yr fixed. This is roughly half a percent higher than last Friday, which makes this the biggest weekly jump since early 2022.

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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Biggest Weekly Jump For Rates In Quite a While. Will it Keep Going or Calm Down?

Whether we're talking about mortgage rates or a quintessential yard stick of the rate world like the 10yr Treasury yield, it was the roughest week in quite a while. Nearly every corner of the market continues reacting in volatile fashion to last week's tariff announcement and the subsequent updates. Momentum toward higher rates took on a life of its own this week for laundry list of mostl...

Mortgage Calculators

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