

MARKET SUMMARY

Complete Recap of Today's Market Activity

Broadly Sideways Despite Intraday Volatility

Market Summary: Wednesday, April 23, 2025 - 8:42AM

Shorter term bonds lost ground today while longer term bonds and MBS managed a modest victory. While this isn't really a victory considering the mixed performance, it was better than a sharp stick in the eye. Moreover, MBS were able to outperform--something that is not at all uncommon on the first few days of a Treasury auction week. In the bigger picture, yields are hugging the upper boundary of a trend that would seem fairly boring and only slightly weaker over the past few months after breaking sharply below and above that trend after the tariff announcement drama.

Latest Video Analysis



Broadly Sideways Despite Intraday Volatility



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MBS & Treasury Markets

UMBS 5.5	98.82	+0.20	10YR	4.368%	-0.029%	4/23/2025 12:42PM EST
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Here We Are Again: No News is Good News

If there was an overriding theme last week, it was that the absence of new tariff drama helped the bond market recover some of the previous week's weakness. While it wasn't exactly tariff drama, yesterday's "Trump vs Powell" headlines served a similar purpose in that they spooked markets and caused selling across the board. No today, traders are buying the dip in bond prices (cautiously) amid an absence of additional escalation in yesterday's drama. Could escalation reemerge? Certainly. And if it does, markets will react. Until then, no news is good news, but not good enough to undo more than fraction of the previous day's damage. Indeed, this will be an ongoing theme (i.e. a certain--sometimes large--portion of the damage associated with such events will NOT easily be erased, even if the risk is seemingly defused).

Counterpoint chart: much ado about temporary volatility?

ALERT: Negative Reprices Becoming More Likely

ALERT: Down More Than an Eighth From Highs

Today's Mortgage Rates

30YR Fixed 6.94% -0.04%

15YR Fixed 6.29% -0.06%

4/23/2025

Mortgage Rates Hold Almost Perfectly Steady

In not so many words, last week's thesis was that "no news was good news" for . Specifically, an absence of major, unexpected developments on the topic of tariffs and trade helped the underlying bond market retrace some of the recent steps. Those steps resulted in the highest rates in several months and one of the biggest weekly rate spikes in years.

The present week began with echoes of that unpleasantness. Headlines regarding Trump's comments about Fed Chair Powell rattled the market and sent rates lurching higher. Now, 24 hours later, an absence of any additional escalation has given way to calmer market movement and generally flat .

In fact, it has been one of the very calmest days in recent memory for mortgage rates. Not only is today's average effectively right in line with yesterday's latest levels. There hasn't even been any intraday changes among mortgage lenders.

Specifically, mortgage lenders prefer to set rates once per day and only make adjustments if the bond market experiences sufficient volatility. Lately, that's been a rule rather than an exception. Today, however, we haven't seen enough bond market movement to prompt any intraday changes, thus leaving the top tier conventional 30yr fixed rate just under 7% for the average lender.

Time	Event	Actual	Forecast	Prior
Wednesday, Apr 23				
7:00AM	Apr/18 MBA Purchase Index	153.4		164.2
7:00AM	Apr/18 MBA Refi Index	673.6		841.9
7:30AM	Mar Building Permits (ml)	1.467M	1.482M	1.459M
9:00AM	Fed Goolsbee Speech ☆			
9:00AM	Fed Beth Speech ☆			
9:35AM	Fed Waller Speech ☆			
9:45AM	Apr S&P Global Services PMI ★★	51.4	52.5	54.4
9:45AM	Apr S&P Global Manuf. PMI ☆	50.7	49.1	50.2
9:45AM	Apr S&P Global Composite PMI ☆	51.2		53.5
10:00AM	Mar New Home Sales (%) (%)	7.4%		1.8%
10:00AM	Mar New Home Sales (ml) ☆	0.724M	0.68M	0.676M
10:30AM	Apr/18 Crude Oil Inventory (ml)	0.244M	-0.7M	0.515M
11:30AM	2-Year FRN Auction (%)	0.160%		0.105%
11:30AM	2-Yr Note Auction (bl)	30		
1:00PM	5-Yr Note Auction (bl) ★	70		
2:00PM	Fed Beige Book			
Thursday, Apr 24				
8:30AM	Apr/19 Jobless Claims (k) ★		221K	215K
8:30AM	Mar Core CapEx (%) ☆		0.2%	-0.3%
8:30AM	Mar Durable goods (%) ☆		2%	0.9%
8:30AM	Apr/12 Continued Claims (ml)		1880K	1885K
10:00AM	Mar Existing home sales (ml) ☆		4.13M	4.26M
10:00AM	Mar Exist. home sales % chg (%) ☆		-3%	4.2%
1:00PM	7-Yr Note Auction (bl) ★		44	
5:00PM	Fed Kashkari Speech ☆			








Recent Housing News

- Don't Read Too Much Into Builder Confidence (Yet)
- Home Construction Remains Volatile Despite Steady Flow of Building Permits
- Mortgage Applications Pull Back From 5 Month Highs

Mortgage Rates Are Actually Much Lower This Week

Last week, there was a curious, but not uncommon juxtaposition of widespread headlines claiming "lower mortgage rates" and our own headlines suggesting one of the biggest weekly jumps in years. Neither were incorrect, but only one was timely. Survey-based, weekly data served as fuel for the "lower rate" headlines because it failed to capture most of the rate spike. The methodology, which ...

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