

MARKET SUMMARY

Complete Recap of Today's Market Activity

Solid Bond Rally For Debatable Reasons

Market Summary: Friday, April 25, 2025 - 9:07AM

Bonds improved moderately well overnight and added to those gains steadily during the domestic session. Ask 10 traders why and you might not get 10 different answers, but it would be at least 5. Improvement in the tariff outlook is a common refrain, but forex markets suggest that's not a huge motivation. Still, one could argue that a more sober approach is restoring some confidence for bond traders. One could also argue that traders are positioning for economic fallout with next week being the big week for econ data. Then there's the notion that moving through the Treasury auction cycle was helpful, but it's not as if traders didn't know that ahead of time. Last but not least, a comment from Fed's Hammack (saying the Fed could move in June) did align with some of this morning's improvement, but not in a way that accounts for an entire day's worth of gains. Perhaps we'll have to dust off the "no news is good news" thesis and simply conclude it makes sense for bonds to be consolidating in the pre-tariff range until we get a clearer sense of policy and the economy's response to it.

Latest Video Analysis



Solid Bonds Rally For Debatable Reasons



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MBS & Treasury Markets

UMBS 5.5	99.56	+0.38	10YR	4.237%	-0.084%	4/25/2025 5:00PM EST
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Bigger Picture Starting to Look More Normal

What's "normal" for the bond market? That depends how far back you want to look. Starting in late February, we had about a month of mostly sideways movement in a relatively narrow range as we waited for clarity on new fiscal policies and economic data. The tariff roll-out shook things up, to be sure, but for more than a week now, yields have been back in the same old "normal" pattern. So what's next? That's a good question. It could be a big policy shift, or economic data, or a global market event. No one knows, but we'll know it when we see it.

As a counterpoint to the chart above, consider that shorter term bonds have been trending in the opposite direction and at a faster pace.

How to reconcile the outperformance of 2yr yields vs 10yr yields:

(remember that 2s have a lot in common with intermediate Fed rate expectations)

UPDATE: Overnight Gains and Uneventful Data

ALERT: Additional Negative Reprice Risk

Today's Mortgage Rates

30YR Fixed	6.84%	-0.08%	15YR Fixed	6.25%	-0.05%	4/25/2025
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Mortgage Rates Continue Lower

continue the slow, bumpy process of healing from the rapid rise seen 2 weeks ago. Last week was a solid victory in that sense with rates moving steadily and meaningfully lower without any major rebounds. The present week started out on shakier footing as rates lurched higher on Monday. Fortunately, the sailing has been smoother since then.

Today was actually the best day of the week so far for the underlying bond market. Most of the improvement happened in overseas trading overnight, but gains continued in the U.S.

The average top tier 30yr fixed rate fell 0.04% from yesterday. Based on the timing of the bond market gains, if nothing were to change overnight, the average lender would be able to move slightly lower again tomorrow.

NOTE: the preceding is not a prediction. It's merely a comment on the fact that the bond market improved a bit more than the average mortgage rate would suggest. There's never a guarantee that bonds will do any particular thing between now and the next time mortgage lenders are setting rates for the day.

Time	Event	Actual	Forecast	Prior
Friday, Apr 25				
10:00AM	Apr U Mich conditions ☆	59.8	56.5	63.8
10:00AM	Apr Consumer Sentiment (ip) ☆	52.2	50.8	57.0
10:00AM	Apr Sentiment: 5y Inflation (%) ☆	4.4%	4.4%	4.1%
10:00AM	Apr Sentiment: 1y Inflation (%) ☆	6.5%	6.7%	5%
Monday, Apr 28				
3:00PM	Treasury Refunding Financing Estimates (%)			
3:00PM	10-Year Note Auction ★			
3:00PM	Treasury Refunding Financing Estimates (%)			

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

Read My Latest Newsletter

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 ...

Mortgage Calculators

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