

MARKET SUMMARY

Complete Recap of Today's Market Activity

Action Packed Calendar But No Major Action in Bonds

Market Summary: Wednesday, April 30, 2025 - 6:48PM

This morning's economic calendar was certainly the most action-packed of the present week. GDP had something for everyone. The evening news can no doubt harp on the "negative" headline while the financial market immediately understood the impact of a massive surge in imports. Numbers that exclude those accounting impacts make domestic consumption look normal and right in line with last quarter. Inflation was tame, but traders are waiting for future, tariff-affected reports. Treasury issuance was confirmed to hold flat, and the "massive" 6% increase in pending home sales is like a team who won 2 games this year vs 1 game last year saying their won 100% more. By the end of the day, bonds were almost perfectly unchanged, even after month-end trading brought a big of volatility at 3-4pm ET.

Latest Video Analysis



Action Packed Calendar But No Major Action in Bonds



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UMBS 5.5	99.73	+0.02	10YR	4.172%	-0.005%	4/30/2025 5:00PM EST
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Lots of Econ Data and Mixed Messages, But Not Much Change in Bonds



In terms of line items, Wednesday morning is the week's most active morning for economic reports. Several of them were potentially important, but the net effect has been muted so far. In fact, MBS are perfectly unchanged despite an initial sell-off at 8:30am. Long story short, GDP was a bit better than expected after accounting for the impact of a pre-tariff import surge, and the Q1 inflation data was also higher than expected. This sent bonds into weaker territory at first. A flat Treasury refunding announcement helped, as did additional digestion of GDP internals (auto purchases had an outsized impact, and spending far outpaced income growth). The 10am monthly reading on PCE inflation showed that March was tame, but much like CPI/PPI 2 weeks ago, March inflation data is being discounted as not reflecting tariff impacts yet.

Wells Fargo's economics team does an excellent job of getting timely charts out on mornings like this, so we'll lean more heavily on those than normal, with a big hat tip.

The first chart shows the income vs spending discrepancy mentioned above.

From there, we'll move to today's GDP focal point, which was the biggest % drop in next exports in decades

The next two charts show the discrepancy between GDP (distorted by the import imbalance mentioned above) and final sales to domestic purchasers (not distorted). Bottom line, GDP will get evening news coverage, but it was actually a relative non-event.

-  **ALERT:** Bonds Losing Ground Despite Weaker GDP Headline
-  **MBS MORNING:** Bonds Erase Overnight Weakness With Help From Tariff Talk and Data

Today's Mortgage Rates

30YR Fixed	6.81%	+0.00%	15YR Fixed	6.15%	-0.02%	4/30/2025
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Another Small Victory For Mortgage Rates

continue enjoying a completely different volatility regime compared to just a few weeks ago. Back then, it wasn't a surprise to see the top tier average rate move by more than 0.10% on any given day, nor was it uncommon to see multiple changes during the same day.

Fast forward to the present week and the average lender hasn't strayed from Friday's levels by more than a few hundredths of a percent. Moreover, the "straying" has been exclusively in a friendly direction.

Today's installment was the least eventful of the 3 days so far this week. The bond market worked through its volatility before mortgage lenders set rates for the day and there hasn't been much movement after that. As such, the average lender was able to set rates right in line with yesterday and leave them there for the duration.

In outright terms, the average top tier 30yr fixed rate is at 6.81%, which can mean most individual rate quotes are going out between 6.625% and 6.875% (for a best case scenario). 6.75% is a less common rate due to the structure of the underlying mortgage bond market (for reasons that are beyond the scope of this article, this basically means that by the time you're moving down from 6.875, the next lower rate that makes sense to quote is 6.75%, with some limited exceptions).

As always, no one should read much into the outright level of a mortgage rate index. An individual scenario can vary significantly based on several factors. Instead, focus on the day over day change.

Time	Event	Actual	Forecast	Prior
Wednesday, Apr 30				
7:00AM	Apr/25 MBA Purchase Index	146.6		153.4
7:00AM	Apr/25 MBA Refi Index	649.0		673.6
8:15AM	Apr ADP jobs (k) ☆	62K	115K	155K
8:30AM	Treasury Refunding Announcement (%)			
8:30AM	Q1 Employment costs (%) ★★	0.9%	0.9%	0.9%
8:30AM	Q1 Core PCE Prices QoQ Final ☆	3.5%	3.3%	2.6%
8:30AM	Q1 GDP (%) ★	-0.3%	0.3%	2.4%
8:30AM	Q1 GDP deflator (%)	3.7%	3.1%	2.3%
8:30AM	Q1 GDP Final Sales (%)	-2.5%		3.3%
8:30AM	10-Year Note Auction ★			
8:30AM	Treasury Refunding Announcement (%)			
9:45AM	Apr Chicago PMI ☆	44.6	45.5	47.6
10:00AM	Mar Core PCE Inflation (y/y) (%) ★	2.6%	2.6%	2.8%
10:00AM	Mar Core PCE (m/m) (%) ★★	0.0%	0.1%	0.4%
10:00AM	Mar Inflation-Adjusted Spending (Consumption) (%)	0.7%	0.5%	0.4%
10:00AM	Mar Pending Home Sales (%) ☆	6.1%	1%	2%
10:30AM	Apr/25 Crude Oil Inventory (ml)	-2.696M	0.39M	0.244M
Thursday, May 01				
7:30AM	Apr Challenger layoffs (k)	105.441K		275.24K
8:30AM	Apr/19 Continued Claims (ml)	1916K	1860K	1841K
8:30AM	Apr/26 Jobless Claims (k) ★	241K	224K	223K
9:45AM	Apr S&P Global Manuf. PMI ☆	50.2	50.7	50.2
10:00AM	Apr ISM Manufacturing Employment	46.5		44.7
10:00AM	Apr ISM Mfg Prices Paid ★	69.8	70.3	69.4
10:00AM	Mar Construction spending (%)	-0.5%	0.2%	0.7%
10:00AM	Apr ISM Manufacturing PMI ★★	48.7	48	49








Recent Housing News

- Existing Home Sales at 5 Month Lows
- New Home Sales Running Near Highest Pace Since 2022
- Mortgage Applications Dropped Sharply in Response to The Recent Rate Spike

Markets Calmed Down Immensely This Week. Lowest Rates since April 7th

Please note that this newsletter is fiercely apolitical. There is no judgment on whether any given political development is good or bad. We are only interested in how financial and housing markets are reacting. Significant market volatility has been all over the news since the April 2nd tariff announcement, but this week went a long way toward restoring a sense of calm. In addition to tar...

Mortgage Calculators

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