

MARKET SUMMARY

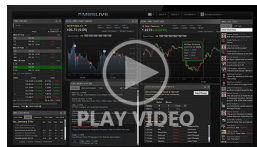
Complete Recap of Today's Market Activity

Stock Gains Creating Bond Pain After Flat Response to CPI

Market Summary: Tuesday, May 13, 2025 - 4:30PM

Heading into the session, we knew there was a high bar for CPI to have a positive influence on bonds with the future tariff landscape reducing the relevance of current price data, but the results were close enough to consensus that we might not have seen a big reaction anyway. Core CPI rose to 0.237 month over month, versus a 0.3 forecast. Annually, it was 2.8 vs 2.8 and unchanged from last month. Volume spiked modestly and bonds rallied for a few seconds before returning to flat levels. The meaningful movement has taken place after the 9:30am NYSE open with a classic risk-on trade. Friendly tariff headlines from China added to the case just after 10am.

Latest Video Analysis



Is All News Bad News For Bonds?



MONEYHOUSE

Chris Munson

SVP and Managing Director
US Sales and Operations,
The Money House

P: (678) 459-2252

M: (704) 957-5053

8751 Commodity Circle Ste 17
Orlando FL 32819



MBS & Treasury Markets

UMBS 5.5	98.73	-0.02	10YR	4.469%	-0.001%	5/13/2025 5:00PM EST
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Just a Bit Weaker and a Bit More Reprice Risk

This is an amplification of the previous alert as bonds continue to struggle to push back against AM weakness. 10yr yields are up 3.2bps to the highs of the day at 4.502.

MBS are down an eighth on the day and quarter point from the average price during most lenders' rate sheet windows. Several lenders have already repriced, and the risk is increasing for those who haven't.

On the bright side, there's no new news driving these losses, and momentum looks to be leveling off at the moment.

- MBS MORNING: Stock Gains Creating Bond Pain After Flat Response to CPI
- ALERT: MBS Down Just Over an Eighth From Highs

Today's Mortgage Rates

30YR Fixed	6.92%	+0.00%	15YR Fixed	6.26%	-0.01%	5/13/2025
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Mortgage Rates Hold Fairly Steady After Inflation Data

Tuesday brought the release of an economic report that has frequently been responsible for big swings in . The Consumer Price Index (CPI) is the earlier of the two big inflation reports from the US government, and inflation is a big deal for . In general, higher inflation coincides with higher rates and vice versa.

But today's CPI data was likely to be taken with a grain of salt due to the to-be-determined impacts of tariffs and trade deals on the price of imported goods and materials. In other words, if inflation came in lower than expected, it wouldn't matter as much as normal because. The only real risk was that inflation would come in higher than expectations, thus suggesting that any tariff-related impact would be hitting an already elevated price trend.

Thankfully, today's report was slightly lower than expected, even though it moved up from last month's levels. As expected, that didn't do anything to help rates. In fact, the average lender is just a hair higher than yesterday owing to market movement that happened later in the day.

Time	Event	Actual	Forecast	Prior
Tuesday, May 13				
6:00AM	Apr NFIB Business Optimism Index	95.8	94.5	97.4
8:30AM	Apr m/m Headline CPI (%) ★	0.2%	0.3%	-0.1%
8:30AM	Apr m/m CORE CPI (%) ★★	0.2%	0.3%	0.1%
8:30AM	Apr y/y Headline CPI (%) ☆	2.3%	2.4%	2.4%
8:30AM	Apr y/y CORE CPI (%) ★★	2.8%	2.8%	2.8%
Wednesday, May 14				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
5:15AM	Fed Waller Speech ☆			
7:00AM	May/09 MBA Purchase Index			162.8
7:00AM	May/09 MBA Refi Index			721
9:10AM	Fed Jefferson Speech ☆			
10:30AM	May/09 Crude Oil Inventory (ml)		-2.4M	-2.032M
5:40PM	Fed Daly Speech ☆			

Recent Housing News

- Home Price Appreciation Remains, But Interesting Trend Emerges
- Mortgage Applications Contract Slightly, But Remain Above 2 Year Average
- Existing Home Sales at 5 Month Lows

Read My Latest Newsletter

Fed Rate Expectations Have Fully Erased The Tariff Impact (For Now)

The market is constantly making bets on where the Fed Funds Rate will end up for any given moment many months into the future. As such, that rate expectation is constantly changing. It will continue to change, and it will change in different ways for different time frames. For example the futures contracts that pertain to June's Fed meeting will indicate a different rate than the contracts for ...

Mortgage Calculators

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