

# MARKET SUMMARY

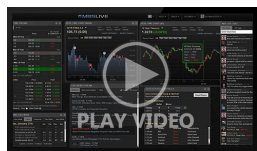
Complete Recap of Today's Market Activity

## Today's Gains Help Us Understand Yesterday's Losses

Market Summary: Thursday, May 15, 2025 - 7:02PM

Wednesday's weakness was severely lacking in the scapegoat department. In other words, there were not big, obvious justifications for the spike in bond yields. Today's rally had a suggestion: perhaps the market was nervous about a potential update to the inflation framework in today's Powell speech. After all, it was the previous inflation framework update in 2020 (which basically concluded that rates could stay "lower for longer," even if inflation was elevated) that was responsible for a lot of drama over the past 3 years. Although the 8:30am economic data helped a bit, most of today's gains followed the 8:40am Powell speech. The absence of stock losses makes the Powell explanation all the more plausible (i.e. if bonds were rallying on weak data, we'd expect to see stocks lose some ground, and they didn't).

### Latest Video Analysis



Today's Rally Helps Frame Yesterday's Selling



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UMBS 5.5	98.91	+0.55	10YR	4.425%	-0.110%	5/15/2025 5:00PM EST
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A "No Whammies" Rally For Bonds After Data and Powell

This morning's market action is quickly helping us understand the enigmatic trading seen yesterday (i.e. a sell-off without any great scapegoats). Retail sales' control group was well below expectations and helped validate a moderate overnight rally. Bigger moves and more sustained volume followed Powell's scheduled speech at the policy framework conference. Perhaps there was a concern that Powell's update would hint at a shift toward tolerating "higher for longer" policy rates in the same way that the 2020 framework review resulted in a "lower for longer" playbook. The net effect has been a nearly complete reversal of yesterday's weakness, but yields are currently bouncing before finishing that job.

- UPDATE: Minimal Response to Big Data Glut
- ALERT: One More Alert For The Day

Today's Mortgage Rates

30YR Fixed	6.94%	-0.05%	15YR Fixed	6.31%	-0.03%	5/15/2025
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Mortgage Rates Catch a Break

have done almost nothing but move higher in the month of May. The latest bump--seen yesterday--took the average top tier 30yr fixed rate to 6.99%. While this is fairly uneventful in the bigger picture, it was a noticeable increase from the 6.81 seen at the end of April, or the slightly lower range before that.

Today's improvement was modest, but at least it was an improvement. And at least it prevents us from needing to write headlines about an official break above the 7.0% level.

As for motivations, the bond market (which dictates rates) improved after a slew of economic data this morning and a speech from Fed Chair Powell. In terms of timing, more of the improvement happened after Powell, but it's impossible to know if traders weren't simply waiting for the morning's key events to transpire before fully reacting.

The average lender is about 0.05% lower than yesterday. Most lenders began the day roughly in line with yesterday and then made a mid-day adjustment in response to the bond market gains.

Time	Event	Actual	Forecast	Prior
Thursday, May 15				
8:30AM	Apr Core Producer Prices MM (%) ★	-0.4%	0.3%	-0.1%
8:30AM	Apr Core Producer Prices YY (%) ★	3.1%	3.1%	3.3%
8:30AM	May NY Fed Manufacturing ☆	-9.20	-10	-8.10
8:30AM	May/10 Jobless Claims (k) ★	229K	229K	228K
8:30AM	May/03 Continued Claims (ml)	1881K	1890K	1879K
8:30AM	Apr Producer Prices (%)	-0.5%	0.2%	-0.4%
8:30AM	May Philly Fed Prices Paid	59.80		51.00
8:30AM	May Philly Fed Business Index ☆	-4	-11	-26.4
8:30AM	Apr Retail Sales Control Group MoM ★	-0.2%	0.3%	0.4%
8:30AM	Apr Retail Sales (%) ☆	0.1%	0%	1.5%
8:30AM	Apr Retail Sales (ex-autos) (%)	0.1%	0.3%	0.6%
8:40AM	Fed Chair Powell Speech ★★			
8:42AM	Powell Speech ★★			
9:15AM	Apr Industrial Production (%) ☆	0%	0.2%	-0.3%
10:00AM	Mar Business Inventories (%) ☆	0.1%	0.2%	0.2%
10:00AM	May NAHB housing market indx ☆	34	40	40
12:00PM	NOPA Crush Report (%)			
2:05PM	Fed Barr Speech ☆			
Friday, May 16				
8:30AM	Apr Building Permits (ml)		1.450M	1.467M
8:30AM	Apr Export prices mm (%)		-0.5%	0%
8:30AM	Apr Import prices mm (%)		-0.4%	-0.1%
8:30AM	Apr Housing starts number mm (ml)		1.37M	1.324M
10:00AM	May Sentiment: 1y Inflation (%) ☆			6.5%
10:00AM	May U Mich conditions ☆		59.6	59.8
10:00AM	May Sentiment: 5y Inflation (%) ☆			4.4%
10:00AM	May Consumer Sentiment (ip) ☆		53.4	52.2








### 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

## 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](#)