

MARKET SUMMARY

Complete Recap of Today's Market Activity

New Month Selling Trumps ISM Data

Market Summary: Monday, June 2, 2025 - 11:16PM

It's not that this morning's ISM data failed to help the bond market. In fact, it accounted for the highest volume of the day and the lowest yields of the day. But those yields were seized as an opportunity for seller to do what they'd already showed up to do earlier in the day. Bottom line, we had a bit of excess strength at the end of last week due to month-end trading and now a bit of a reversal as the new month gets underway. Yields are still nearer the lower end of the recent range, which makes today's modest correction all the less threatening.

Latest Video Analysis



New Month Selling Trumps ISM Data



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MBS & Treasury Markets

| | | | | | | |
|----------|-------|-------|------|--------|---------|---------------------|
| UMBS 5.5 | 98.83 | +0.03 | 10YR | 4.456% | +0.009% | 6/3/2025 5:00PM EST |
|----------|-------|-------|------|--------|---------|---------------------|

Just a Bit More Reprice Risk

The first alert arrived amid minimal repricing risk due to morning rate sheet timing. Specifically, most lenders priced for the morning before the 10am rally and thus weren't seeing huge losses despite MBS being down more than an eighth from highs.

At this point, most lenders are seeing at least an eighth of a point of weakness from their AM rate sheet print time with MBS down a quarter point on the day. The weaker momentum looks to have leveled off with 10yr yields up 6bps at 4.465.

ALERT: Negative Reprice Risk Increasing

MBS MORNING: Softer Start Despite Tame ISM Manufacturing Data

Today's Mortgage Rates

| | | | | | | |
|------------|-------|--------|------------|-------|--------|----------|
| 30YR Fixed | 6.96% | +0.00% | 15YR Fixed | 6.21% | -0.02% | 6/3/2025 |
|------------|-------|--------|------------|-------|--------|----------|

Mortgage Rates Edge Higher to Start Busy Week

have been in an exceptionally narrow range since last Tuesday with the 30yr fixed index hovering just under 7%. The average lender is just a hair higher today versus last Friday, but still just under 7%.

As always, the index is best used as a tool to track day over day changes in rates rather than outright levels. Individual rate quotes can vary quite a bit depending on the scenario, lender, and discount points.

Monday's economic data consisted of a key report on Manufacturing from ISM. This report often has an effect on rates. It was fairly minimal this time, but it helped rates avoid a sharper increase.

As the week continues, several other important reports will be released. Friday's jobs report is traditionally the most closely watched when it comes to the rate market.

Economic Calendar

Last Week | This Week | Next Week

| Time | Event | Actual | Forecast | Prior |
|-----------------|-----------------------------------|--------|----------|--------|
| Monday, Jun 02 | | | | |
| 9:45AM | May S&P Global Manuf. PMI ☆ | 52 | 52.3 | 50.2 |
| 10:00AM | May ISM Manufacturing Employment | 46.8 | | 46.5 |
| 10:00AM | Apr Construction spending (%) | -0.4% | 0.3% | -0.5% |
| 10:00AM | May ISM Mfg Prices Paid ★ | 69.4 | 70.2 | 69.8 |
| 10:00AM | May ISM Manufacturing PMI ★★ | 48.5 | 49.5 | 48.7 |
| 10:15AM | Fed Logan Speech ☆ | | | |
| 12:45PM | Fed Goolsbee Speech ☆ | | | |
| 12:45PM | Fed Goolsbee Speech ☆ | | | |
| 1:00PM | Fed Chair Powell Speech ★★ | | | |
| Tuesday, Jun 03 | | | | |
| 10:00AM | Apr Factory orders mm (%) | -3.7% | -3% | 3.4% |
| 10:00AM | Apr JOLTs Job Quits (ml) ☆ | 3.194M | | 3.332M |
| 10:00AM | Apr USA JOLTS Job Openings (ml) ★ | 7.391M | 7.10M | 7.192M |
| 10:10AM | Jun IBD economic optimism | 49.2 | 49.1 | 47.9 |
| 12:45PM | Fed Goolsbee Speech ☆ | | | |
| 1:00PM | Fed Cook Speech ☆ | | | |
| 3:30PM | Fed Logan Speech ☆ | | | |
| 4:30PM | May Total Vehicle Sales (ml) | 15.65M | 16.3M | 17.25M |

Recent Housing News

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- [Purchase and Refi Demand Diverge Again](#)
- [Home Prices Falling or Growing Less Quickly?](#)

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Calmer, Friendlier Week For Rates Amid Mixed Signals For Housing

In addition to being shorter than normal due to the Memorial Day holiday, there wasn't much meat on this week's event calendar - at least not as far as the rate market was concerned. Earnings releases caused some volatility in the stock market, but rates drifted sideways to slightly lower after a larger drop on Tuesday. Interestingly enough, Tuesday's drop was more to do with bond market improve...

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