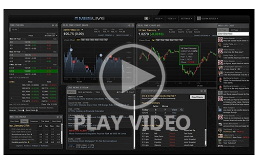
MARKET SUMMARY
Complete Recap of Today's Market Activity

Bonds Dial Back Ahead of Big Jobs Report

Market Summary: Friday, June 6, 2025 - 11:03AM

It was a fairly interesting day for bonds, relative to the calendar of scheduled events. Domestic econ data was unimportant and markets traded accordingly from 8:30-8:45am. At that point, the European Central Bank announcement hit the wires and the takeaway was fairly hawkish, despite the rate cut. At the same time, newswires made the rounds regarding a Trump/Xi phone call that could lead to future meetings and improved trade relations--a narrative that's generally produced "risk-on" results for stocks and bonds. Then in the afternoon, stocks pulled back as Trump and Musk exchanged words on social media (TSLA down about 16% on the day). Lastly, we could also be seeing both sides of the market moving to cash to some extent ahead of the jobs report. Either way, the willingness to react to data so far this week means Friday's jobs data should be treated with just as much respect as normal.

Latest Video Analysis



Bonds Dial Back Ahead of Big Jobs Report

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MBS & Treasury Markets

UMBS 5.5	98.58	-0.41	10YR	4.508%	+0.113%	6/6/2025 5:00PM EST

NFP Right in Line With Forecast; Some Selling

- Nonfarm Payrolls
  - 139k vs 130k f'cast, 147k prev
- Unemployment Rate
  - 4.2 vs 4.2 f'cast/prev

As we discussed yesterday, Wednesday's data led the market to price in a slightly weaker result than forecasts indicated. That's why we're seeing a bit of selling in response to the as-expected result (previous month revisions more than offset the 9k beat in NFP, actually).

10yr yields are up 3.7bps at 4.432 and MBS are down 2 ticks (.06).

ALERT: Bonds Under More Pressure on Trade-Related Headlines

MBS MORNING: Bumpy Start; Data Overshadowed by Other Events

Today's Mortgage Rates

30YR Fixed	6.97%	+0.08%	15YR Fixed	6.22%	+0.08%	6/6/2025

Mortgage Rates Little Changed, But Friday Could See a Bigger Move

began the day perfectly in line with yesterday's latest levels for the average lender. By the afternoon, the underlying bond market had lost enough ground that a handful of lenders were forced to issue mid-day reprices thus taking the average just a bit higher.

Unlike the past few days, there wasn't a highly important economic report to cause volatility this morning. The underlying bond market drifted into progressively weaker territory on a combination of factors. These included the market's reaction to the European Central Bank's policy announcement as well as headlines regarding a phone call between Trump and Xi that may lead to improved trade relations.

In general, lower tariffs and freer-flowing trade have resulted in stocks and rates moving higher together--what the market sometimes refers to as a "risk-on" move. Stocks notably ended up moving lower by the afternoon even as bond yields remained higher. We can reconcile this in several ways, but none of them are too important.

What's important is that tomorrow morning brings the big jobs report--the data that has the greatest potential to cause volatility for rates of any of this week's offerings. Potential isn't always realized. The farther the number falls from forecasts, the greater the potential impact, for better or worse.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Friday, Jun 06				
8:30AM	May Average earnings mm (%)	0.4%	0.3%	0.2%
8:30AM	May Non Farm Payrolls (k)	139K	130K	177K
8:30AM	May Participation Rate	62.4%		62.6%
8:30AM	May Unemployment rate mm (%)	4.2%	4.2%	4.2%
10:00AM	Fed Bowman Speech			
3:00PM	Apr Consumer credit (bl)	$17.87B	$10.85B	$10.17B
Monday, Jun 09				
10:00AM	Apr Wholesale inventories mm (%)		0%	0.4%
11:00AM	May Consumer Inflation Expectations			3.6%

Recent Housing News

- Pending Home Sales Slip, But the Broader Story Remains the Same
- Purchase and Refi Demand Diverge Again
- Home Prices Falling or Growing Less Quickly?

Read My Latest Newsletter

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...

Mortgage Calculators

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