MARKET SUMMARY
Complete Recap of Today's Market Activity

Perfectly Logical Reaction to On-Target Data

Market Summary: Sunday, June 8, 2025 - 4:32AM

It's not necessarily a fun fact to face, but today's bond market sell-off was a perfectly logical reaction to the modest beat in NFP. But wait, what about the negative revisions?! Yes, it's still a logical reaction. Reasons for this are exhaustively discussed in today's video, but the short version is as follows. Wednesday's rally was largely about Wednesday's data carrying anecdotal implications for Friday's jobs report. When Friday's jobs report didn't deliver the goods, the rally was erased. Revisions didn't matter because last month's NFP was a big beat in and of itself and only revised to levels that were still higher than today's headline. Bottom line: NFP looks sideways at decent levels--not at all worthy of the concern suggested by Wednesday's reports and other generally weaker data over the past week.

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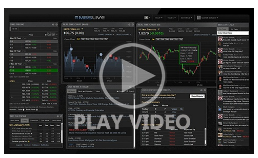
Latest Video Analysis



Perfectly Logical Reaction to On-Target Data

MBS & Treasury Markets

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

Steady Losses; New Lows

Nothing new or exciting has happened since the jobs report this morning, but bonds have been selling to progressively weaker levels, even if the pace is super slow. With each tick lower in MBS, negative reprice risk increases incrementally. Lenders who priced in line with the market this morning are just now seeing an eighth of a point of weakness and could thus technically consider negative reprices.

Other lenders tend to price a bit more conservatively on mornings like this and thus could need to see a bit more weakness before getting into reprice risk territory.

MBS are down a total of 11 ticks (.34) on the day and 10yr yields are up 9.1bps at 4.486. Both are the weakest levels of the day.

MBS MORNING: Jobs Report Not Bad Enough to Justify The Lead-Off

ALERT: NFP Right in Line With Forecast; Some Selling

Today's Mortgage Rates

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

Mortgage Rates Jump Back Toward 7% After Jobs Report

have enjoyed a nice run since May 21st, with the MND Index (average top tier 30yr fixed scenarios) falling from a recent peak of 7.08% to this week's low of 6.87%. As recently as yesterday afternoon, rates were still much closer to those lows at 6.89%.

One day can make a big difference and today turned out to be that day. We knew there was a risk of volatility due to the release of the big jobs report this morning. Unfortunately for rates, the news was less dire than markets were prepared for.

Specifically, traders of the bonds that influence were moving into a defensive position after this week's previous economic reports foreshadowed some extra weakness in today's jobs report. In this case, the defensive position would equate to "buying more bonds" which, in turn, pushes rates lower.

In other words, they'd taken a lead-off toward lower rates based on the suspicion that the data might come out a bit worse than forecast. As it happened, however, the data was right in line with forecasts. With that, the proverbial runner was quick to return to base with the rate index heading back up to 6.97%.

This is a fairly middle-of-the-road rate over the past month and a half. The implication is that we're right back in the same holding pattern observed over the past few weeks as we wait for a more compelling shift in the economic data or other key events.

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

- Application Demand Ebbs For Both Purchases and Refis
- Pending Home Sales Slip, But the Broader Story Remains the Same
- Purchase and Refi Demand Diverge Again

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Jobs Report Chases Rates Back Into The Range

For nearly 2 months, rates have been in limbo, stuck between the lower, more stable levels seen in March and the higher range seen at the beginning of the year. With many market participants waiting for more clarity on trade policies, it has been up to major economic data to make a case for any major moves in rates. The first week of any given month always has an action-packed economic calendar...

Mortgage Calculators

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