

MARKET SUMMARY

Complete Recap of Today's Market Activity

No Drama Today. How About Tomorrow?

Market Summary: Wednesday, June 11, 2025 - 6:45AM

After a slightly bumpy start for reasons that remain unknown, the bond market settled into an uneventful sideways grind that lasted through the 3pm CME close. Both MBS and Treasuries were effectively unchanged and the latter didn't give a second thought to a fairly weak 3yr Treasury auction. Trade headlines were less than meaty, but talks between the US and China are now said to potentially move into a 3rd day. That means tomorrow's calendar will be shared between trade-related headlines, a 10yr Treasury auction (more relevant than the 3yr) and CPI data. As far as this week is concerned, this is as action-packed as we've seen the calendar, although that's not saying too much given prevailing sentiment toward inflation data. Specifically, the market cares more about how it looks several months from now. It's not that it can't have an impact, but it would likely be dulled by the caveats.

Latest Video Analysis



No Drama Today. How About Tomorrow?

MBS & Treasury Markets

UMBS 5.5	99.02	+0.34	10YR	4.423%	-0.053%	6/11/2025 5:00PM EST
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Bumpy Start; No Data; Waiting on Auction and Trade Headlines

Although bonds are experiencing a small amount of volatility this morning, it isn't consequential in the bigger picture. Quick-but-modest weakness at 10:15am ET has essentially taken MBS back to unchanged levels. 10yr yields rose 2bps and are still almost 1bp lower. In the absence of relevant econ data, it falls to the Treasury auction and trade-related headlines to inform any bigger-picture momentum. As always, there's a slightly better than random possibility of bond market weakness in the hours leading up to a Treasury auction.



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ALERT: MBS Down an Eighth From AM Highs

MBS MORNING: Shifting Gears After Friday's Volatility

30YR Fixed	6.89%	-0.04%	15YR Fixed	6.20%	-0.01%	6/11/2025
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Mortgage Rates Inch Slightly Lower

It was a fairly boring day on what has turned out to be a fairly boring week so far for . After Friday's larger spike, we've seen a microscopic recovery on each of the past 2 days.

In terms of specific index levels, this equates to a 0.04% drop in the top tier 30yr fixed rate for the average lender. This is roughly one third of the minimum increment that separates typical mortgage rate offerings. In other words, it isn't a huge move by any means.

Tomorrow brings the release of the Consumer Price Index (CPI)--an economic report that has occasionally resulted in huge changes in mortgage rates. As a key measurement of inflation, CPI has been critically important at times when the market sought clarity on potential shifts in the inflation narrative.

At present, however, the market is waiting a number of months before drawing any firm conclusions on inflation due to tariffs and trade deals that have yet to be finalized. Even then, it will take a few months for those policy changes to flow through to the data.

None of the above means that CPI is a complete dud. The market can certainly still react, but the bar for true drama is higher than normal. In other words, CPI would need to come in much higher or lower than forecast to have a big impact on rates.

Time	Event	Actual	Forecast	Prior
Wednesday, Jun 11				
12:00AM	Roll Date - UMBS 30YR			
7:00AM	Jun/06 MBA Purchase Index	170.9		155.0
7:00AM	Jun/06 MBA Refi Index	707.4		611.8
8:30AM	May m/m Headline CPI (%) ★	0.1%	0.2%	0.2%
8:30AM	May y/y Headline CPI (%) ☆	2.4%	2.5%	2.3%
8:30AM	May m/m CORE CPI (%) ★★	0.1%	0.3%	0.2%
8:30AM	May y/y CORE CPI (%) ★★	2.8%	2.9%	2.8%
10:30AM	Jun/06 Crude Oil Inventory (ml)	-3.644M	-2M	-4.304M
1:00PM	10-yr Note Auction (bl) ★	39		
2:00PM	May Federal budget, \$ (bl)	\$-316B	\$-325B	\$258B
Thursday, Jun 12				
8:30AM	Jun/07 Jobless Claims (k) ★	248K	240K	247K
8:30AM	May/31 Continued Claims (ml)	1956K	1910K	1904K
8:30AM	May Core Producer Prices MM (%) ★	0.1%	0.3%	-0.4%
8:30AM	May Core Producer Prices YY (%) ★	3%	3.1%	3.1%
8:30AM	May Producer Prices (%)	0.1%	0.2%	-0.5%
12:00PM	WASDE Report (%)			
1:00PM	30-Yr Bond Auction (bl) ☆	22		
1:00PM	30-Year Bond Auction ☆	4.844%		4.819%

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...

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