

MARKET SUMMARY

Complete Recap of Today's Market Activity

Opening Weaker Despite Israel/Iran Headlines

Market Summary: Friday, June 13, 2025 - 12:13PM

By 8pm last night, news of Israel's attack on Iran erased an entire week of stock market gains and pushed bond yields to the lowest levels in more than a month. Given the alarming nature of some of the headlines, it's only natural to assume that markets were only getting started with the "overnight trading makes no guarantees. Ultimately, with 10yr yields over 4.5% on Wednesday morning and under 4.40% right now, none of the volatility of the past 12 hours is worth over-analyzing. Yields have challenged last week's floor and look to be tabling the idea of a breakout until further review.

Latest Video Analysis



Thursday's Data Offered No Objection to Overnight Rally



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MBS & Treasury Markets

UMBS 5.5	99.04	-0.25	10YR	4.402%	+0.039%	6/13/2025 5:00PM EST
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Additional Weakness After Sentiment Data

- Consumer Sentiment
 - 60.5 vs 53.5 f'cast, 52.2 prev
- 1yr inflation expectations
 - 5.1 vs 6.6 prev

Consumer sentiment has been a sub-par market mover at best, recently, but this morning's installment may be an exception. 10yr yields have moved up from 4.38+ to 4.40+ since the data and MBS have lost another eighth of a point (bringing the total to a quarter point on the day).

The "yeah but" is that the selling didn't start until 10:06am, which seems odd if a 10am report is the culprit. Additionally, stocks have continued to sell which also seems odd if sentiment data is driving a "" reaction in bonds. Perhaps there are other considerations in play, but if so, they're not as visible at the moment.

MBS MORNING: Opening Weaker Despite Israel/Iran Headlines

MBS MORNING: Higher Bar For Additional Gains Despite Lower PPI

Today's Mortgage Rates

30YR Fixed	6.89%	+0.04%	15YR Fixed	6.16%	+0.02%	6/13/2025
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Lowest Mortgage Rates in More Than a Month

being offered today are only a hair lower for the average lender than they were on June 4th, but June 4th was the best day since early May. In other words, today's average rate is the lowest in just over a month.

This didn't happen by chance. The underlying bond market has been responding to economic data over the past two days. Yesterday's consumer-focused inflation data delivered most of the benefit. Today's producer-focused inflation data essentially stayed out of the way.

The data has created some buzz regarding the Fed's rate cut outlook. Indeed, traders are now betting on a higher likelihood of an additional cut by the end of the year. But it's important to understand that there is still essentially no chance that the Fed cuts rates at next week's meeting.

Even if the Fed were to cut next week, it would not necessarily be good for mortgage rates. The Fed Funds Rate applies to overnight lending between large institutions whereas mortgage rates are based on bonds with much longer lifespans (aka "duration"). Duration is everything when it comes to valuing bonds, and longer durations often diverge from the shortest durations.

Time	Event	Actual	Forecast	Prior
Friday, Jun 13				
10:00AM	Jun Sentiment: 1y Inflation (%) ☆	5.1%		6.6%
10:00AM	Jun Sentiment: 5y Inflation (%) ☆	4.1%		4.2%
10:00AM	Jun U Mich conditions ☆	63.7	59.4	58.9
10:00AM	Jun Consumer Sentiment (ip) ☆	60.5	53.5	52.2
Monday, Jun 16				
8:30AM	Jun NY Fed Manufacturing ☆		-6.7	-9.2
12:00PM	NOPA Crush Report (%)			
1:00PM	20-Yr Bond Auction (bl)	13		

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

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