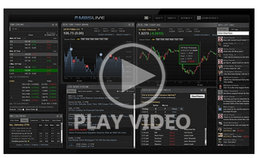
Not Reading Too Much Into Friday's Weakness

Market Summary: Saturday, June 14, 2025 - 9:04PM

At first glance, with only one report on the calendar, it's only logical to give Consumer Sentiment credit for sparking today's bond market selling spree. Closer inspection adds nuance. First off, selling began in earnest at 8:20am--the unofficial opening bell for bond market trading and a time of day where inclined sellers/buyers are often lined up and waiting to trade accordingly. Then there's the fact that the post-data selling didn't begin until 6 minutes after the data--an odd eventuality given the tendency for reactions to be perfectly immediate. Last but not least, we can entertain several reasons that traders might be interested in moving to the sidelines ahead of next week's potential geopolitical developments and Fed announcement.

Latest Video Analysis



Not Reading Too Much Into Friday's Weakness

JD Dindinger
Vice President | Broker, Neighborhood Mortgage Group
www.JDapproves.com
P: (503) 409-3933
JD@CopperRidgeFinancial.com
3340 Commercial Street SE
Salem OR 97302
NMLS # 397740
Website: APPLY NOW

MBS & Treasury Markets

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

Weakest Levels; Ongoing Reprice Risk

Bonds have been selling fairly steadily throughout the session in an intentional move to the sidelines ahead of higher-than-normal potential volatility over the weekend. This isn't just about econ data. The selling started at 8:20am (the CME pit open) and hasn't correlated with news headlines or other events in a timely way.

10yr yields are now up 8bps on the day at 4.443 and MBS are down nearly 3/8ths of a point. Many lenders are seeing well over an eighth of a point of weakness since morning rate sheets. As such, negative reprices are an ongoing possibility.

ALERT: Additional Weakness After Sentiment Data

MBS MORNING: Opening Weaker Despite Israel/Iran Headlines

Today's Mortgage Rates

30YR Fixed	6.89%	+0.04%	15YR Fixed	6.16%	+0.02%	6/13/2025

Mortgage Rates Bounce But Remain Lower on The Week

The top tier 30yr fixed mortgage rate index rose 0.04% on Friday, which would be a medium-sized defeat in and of itself. In the broader context, however, it was an acceptable adjustment on what has otherwise been a solid week. Specifically, today's rates are still 0.08% lower than last Friday's.

There were no standout individual sources of inspiration today. Keen observers may note that today's Consumer Sentiment data seemed to coincide with mid-day upward pressure in rates, but that was a bit deceptive. The upward pressure began in earnest at 8:20am ET, which is essentially the opening bell for the bond market.

It's true that the weakness accelerated after the Consumer Sentiment data, but not until 6 minutes afterward, and that's an uncommon delay when it comes to rates responding to economic data.

All that to say: it looks like the rate market was somewhat determined to lose some ground today. This can happen on weeks like this one where there has been a solid improvement through Thursday and where the following week brings additional sources of potential volatility.

Economic Calendar

Last Week | This Week | Next Week

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 ☆		-5.5	-9.2
12:00PM	NOPA Crush Report (%)			
1:00PM	20-Yr Bond Auction (bl)	13		

Recent Housing News

- Purchase Demand Near 2 Year Highs; Refis Bounce Back
- Application Demand Ebbs For Both Purchases and Refis
- Pending Home Sales Slip, But the Broader Story Remains the Same

Read My Latest Newsletter

Good News on Inflation, But Don't Expect a Fed Rate Cut

The juxtaposition of last week's jobs report and this week's Consumer Price Index (CPI) created a fair amount of volatility, but for fans of low mortgage rates, it's too soon to care. Whether we're talking about interest rates in general or the Federal Reserve, both are sensitive to any major changes in the economy and inflation. Among economic data, last week's jobs report is the most capable ...

Mortgage Calculators

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