

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Bonds Think About Rallying on ADP Data, But Already Getting Cold Feet

Market Summary: Wednesday, July 2, 2025 - 12:29PM

ADP employment was this morning's key economic report and it came out sharply weaker than expected (-33k vs 95k f'cast). There are many past examples of a "miss" of this size prompting a swift rally on the bond market. Although that looked like it could have been in the works in the first few minutes, bonds have since reversed course and moved back in line with weaker overnight levels. What's up with that? To some extent, global bond markets are experiencing some pressure from a massive rout in UK debt over fiscal spending fears. Then there's the simple fact that ADP has such a hit and miss track record when it comes to predicting NFP. Recently, ADP has drifted much lower without NFP following suit.

### Latest Video Analysis



Traders Buy The Dip After AM Data



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### MBS & Treasury Markets

UMBS 5.5	99.85	-0.08	10YR	4.285%	+0.046%	7/2/2025 5:00PM EST
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**UPDATE:** Bonds Erasing Overnight Losses After Sharply Weaker ADP

**ALERT:** Weakest Levels of The Day

## Today's Mortgage Rates

30YR Fixed	6.73%	+0.06%	15YR Fixed	5.97%	+0.06%	7/2/2025
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### Mortgage Rates Hold Steady at 3 Month Lows

It's been 88 days since the average 30yr fixed mortgage rate was as low as it is today--close enough to 3 months. Some lenders may be higher or lower than they were yesterday depending on whether or not changed rates yesterday afternoon.

Mortgage lenders prefer to set rates once per day, but can "reprice" if the underlying bond market moves enough in one direction or the other. Bonds improved enough yesterday afternoon for many lenders to offer slightly lower rates. Those lenders are a hair higher today, generally.

In terms of the underlying bond market, things are just a bit better right now compared to yesterday morning and just a bit worse compared to yesterday afternoon. That deterioration mainly followed this morning's job openings data which showed another increase from the longer-term lows seen 2 months ago. Rates typically move higher if job openings are higher than expected, all else equal.

But today's data-driven volatility is nothing compared to what could be seen on Thursday morning following the big jobs report (officially, the "Employment Situation" which offers a count of jobs created in June as well as an update to the unemployment rate).

Time	Event	Actual	Forecast	Prior
Wednesday, Jul 02				
7:00AM	Jun/27 MBA Purchase Index	165.3		165.2
7:00AM	Jun/27 MBA Refi Index	759.7		713.4
7:30AM	Jun Challenger layoffs (k)	47.999K		93.816K
8:15AM	Jun ADP jobs (k) ☆	-33K	95K	37K
10:30AM	Jun/27 Crude Oil Inventory (ml)	3.845M	-2M	-5.836M
Thursday, Jul 03				
8:30AM	May Trade Gap (bl)		\$-71B	\$-61.6B
8:30AM	Jun/21 Continued Claims (ml)		1960K	1974K
8:30AM	Jun Participation Rate ☆			62.4%
8:30AM	Jun Average earnings mm (%) ★		0.3%	0.4%
8:30AM	Jun/28 Jobless Claims (k) ★		240K	236K
8:30AM	Jun Non Farm Payrolls (k) ★★		110K	139K
8:30AM	Jun Unemployment rate mm (%) ★★		4.3%	4.2%
9:45AM	Jun S&P Global Composite PMI ☆		52.8	53
9:45AM	Jun S&P Global Services PMI ★★		53.1	53.7
10:00AM	May Factory orders mm (%)		8.2%	-3.7%
10:00AM	Jun ISM Services Prices			68.7
10:00AM	Jun ISM Services Employment			50.7
10:00AM	Jun ISM Biz Activity ★			50
10:00AM	Jun ISM N-Mfg PMI ★★		50.5	49.9
11:00AM	Fed Bostic Speech ☆			
2:00PM	Happy 4th!! ★★			

### Recent Housing News

- Pending Home Sales Data Scores Some Points, But Not Enough to Change The Game
- New Home Sales Drop to Lower End of Range After Hitting The Highs Last Month
- Mortgage Applications Buoyed by FHA Refis

## Rates Closing in on 8 Month Lows

After going to great lengths to explain why the Fed Funds Rate isn't the same as mortgage rates, we'll now have to discuss how the Fed nonetheless found a way to push rates lower this week. We already know the Fed held rates steady last week, and we've discussed the fact that mortgage rates wouldn't necessarily have fallen even if the Fed had cut the Fed Funds Rate. But mortgage rates definitel...

### Mortgage Calculators

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