

MARKET SUMMARY

Complete Recap of Today's Market Activity

Correction Continues Despite Tariff Announcements

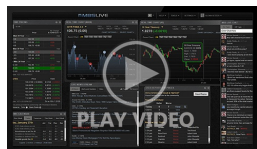
Market Summary: Monday, July 7, 2025 - 6:55PM

Bonds were moderately weaker to start the day and continued losing ground in the AM hours. Just after noon, new tariff announcements caused a surge of selling in stocks. There was initially some buying in bonds, but not much, and not for long. Tariffs are a double-edge sword for bonds, as we've seen on several occasions over the past few months and today's version was well balanced, ultimately leaving 10yr yields at similar levels before and after the news. Today's weakness adds to the multi-day correction that began last Wednesday and accelerated after Thursday's jobs report. Bond buyers may remain hesitant until getting through more of this week's Treasury auction cycle.

Market Movement Recap

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|----------|--|
| 09:57 AM | Modestly weaker overnight with MBS down less than an eighth and 10yr up 2bps at 4.367 |
| 11:09 AM | Steady weakness continues. MBS now down 5 ticks (.16) and 10yr up 3.4bps at 4.38 |
| 02:16 PM | Holding sideways near weakest levels in the PM hours. MBS down 5 ticks (.16) and 10yr up 4.6bps at 4.392 |
| 04:03 PM | Still sideways near weakest levels. MBS down 6 ticks (.19) and 10yr up 4bps at 4.387 |

Latest Video Analysis



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MBS & Treasury Markets

UMBS 5.5	99.48	-0.16	10YR	4.386%	+0.040%	7/7/2025 5:00PM EST
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Slow Start; Light Calendar This Week

Fresh off the rally reversal courtesy of last week's jobs report, the bond market now finds itself in a virtually data-free week with little else to inspire big departures from prevailing levels. From last Thursday's early close, there's been remarkably little movement so far. This is all the more notable given the fact that Thursday was the heaviest day of selling in several weeks, arguably ending the rally trend from the 2nd half of June. It's always possible that unexpected developments will stir things up, but for now, the most obvious flashpoint on the horizon is next week's CPI data.

In terms of trading levels and trends, the end of the recent rally means we're waiting to see if we get a sideways holding pattern or full-blown reversal of momentum. The latter feels like it might require some more justification--at least if 10yr yields were to challenge higher technical ceilings at 4.50+. About 10bps below that, however, is a perfectly acceptable target for bonds to reset for the next big move (again, most likely driven--or at least confirmed--by next week's CPI). A break below 4.34 wouldn't be inexplicably bullish, but 4.29 would require some more concrete motivation.

MBS MORNING: Jobs Report Comes in Stronger. Bonds React Logically

ALERT: Bonds Selling Off After Stronger NFP

Today's Mortgage Rates

30YR Fixed	6.79%	+0.04%	15YR Fixed	5.99%	+0.01%	7/7/2025
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Mortgage Rates Continue Higher For Third Straight Day

For the entire 2nd half of June, it was easy to be spoiled by the absence of volatility in . During that time, rates were either lower or unchanged every single day. The past few business days have been a different story.

This began last Wednesday as the bond market began a small correction ahead of Thursday's big jobs report. A correction is a normal occurrence that often follows an extended run in either direction. They can be as short as a single day or they can mark bigger picture turning points.

We'll never know if last week's correction would have been a one day affair because the very next day, the jobs report continued pushing rates higher. At that point, rate movement was no longer a correction. Rather, it was a response to economic data.

Now at the start of the new week, there's been some follow-through to last Thursday's rising rate momentum (Friday was closed for the 4th), carrying the average mortgage rate to the highest levels since June 25th. That's the bad news.

The good news is that June 25th's rates were the lowest since early April at the time.

Time	Event	Actual	Forecast	Prior
Monday, Jul 07				
Tuesday, Jul 08				
6:00AM	Jun NFIB Business Optimism Index		98.7	98.8
11:00AM	Jun Consumer Inflation Expectations ☆			3.2%
1:00PM	3-Yr Note Auction (bl)		58	
3:00PM	May Consumer credit (bl)		\$10.5B	\$17.87B

Recent Housing News

- Refis Pick Up Steam as Rate Relief Returns
- 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

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Rates Take a Breather After Surprisingly Strong Jobs Report

After a few good weeks for interest rates, things hit a bit of a speed bump this week thanks to a stronger-than-expected jobs report. The week started quietly. There was no important economic news on Monday, but behind the scenes, there was still plenty going on. Big financial firms often need to “rebalance” their investments at the end of a month or quarter—especially if stoc...

Mortgage Calculators

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