

MARKET SUMMARY

Complete Recap of Today's Market Activity

Bonds Brace For Stormier Weather After This Week's Smooth Sailing

Market Summary: Sunday, July 27, 2025 - 2:20AM

Despite a few inconsequential ups and downs, bonds ultimately traded with forgettable, sideways momentum this week. Friday did nothing to change that--especially after mid-day gains courtesy of optimism surrounding over-the-weekend trade talks between the U.S. and the EU. The gains corresponded with the news headlines about the U.S./EU meeting and bonds held steadily sideways after that. The incoming week is completely different in terms of calendar-based volatility potential. There are relevant events on every single day culminating with "peak relevance" in the form of Friday's big jobs report.

Latest Video Analysis



Bonds Brace For Stormier Weather After This Week's Smooth Sailing



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MBS & Treasury Markets

UMBS 5.5	99.33	+0.02	10YR	4.387%	-0.011%	7/25/2025 5:00PM EST
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Trade Headlines Trump Durable Goods Data, But Minimal Change Either Way

Bonds were initially stronger, then weaker in the overnight session. There was a bit of additional selling in the first hour, but none of it corresponded with the 8:30am Durable Goods data. Notably, the data was much weaker than expected. This helps reinforce our lack of interest in this particular report as a potential market mover. Bigger volume followed a series of Trump comments just after 9am ET. Trump said he's meeting with UK prime minister tonight, he doesn't ever want a weaker dollar (incidentally, this is at odds with wanting rate cuts), he got the impression that Powell might be ready to lower rates, Powell is a very good man, most trade deals will be done by August 1, and that there's a 50/50 chance of a trade deal with the EU. Your guess is as good as ours as to which of those accounted for the volume spike and bond reversal, but the EU comment lined up the best. Either way, movement has been too small to really care.

MBS MORNING: Some Selling Before and After Jobless Claims

ALERT: Weakest Levels After EU Tariff Updates

Today's Mortgage Rates

30YR Fixed	6.81%	+0.00%	15YR Fixed	6.05%	+0.00%	7/25/2025
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Mortgage Rates End Week Unchanged. Next Week, Probably Not...

It's no great secret that the outgoing week didn't offer much in terms of hotly anticipated events with the power to make or break momentum in the rate market. But as it happened, there was ultimately no impact whatsoever by the time Friday afternoon rolled around. Actually, rates were already 'unchanged' on the week as of yesterday afternoon. Friday just happened to be unchanged as well.

In terms of the bond market movement underlying the mortgage rate stability, we got some help from headlines regarding the improvement in relations between the Trump admin and Fed Chair Powell. After touring the Fed's construction site, the President said these sorts of cost overruns happen and he doesn't want to put them in the category of "grounds for removal," nor is there any pressure for Powell to resign.

In general, the bond/rate market has done better during the moments where it looks like Powell's job is safer. Conversely, longer term bonds/rates have done worse when faced with the prospect of a Fed Chair replacement that would lower short term rates more aggressively (seeming paradox, but actually quite logical to bond traders).

For every degree to which the present week was calm and uneventful for rates, next week brings the heat. There are big ticket events on every single day and the biggest of tickets in the form of Friday's jobs report. As always "potential" volatility doesn't guarantee a big move in either direction. All we know is that odds are higher for big moves--especially after Friday's data.

Time	Event	Actual	Forecast	Prior
Friday, Jul 25				
8:30AM	Jun Durable goods (%) ☆	-9.3%	-10.8%	16.4%
8:30AM	Jun Core CapEx (%) ☆	-0.7%	0.2%	1.7%
Monday, Jul 28				
11:30AM	2-Yr Note Auction (bl)	69		
1:00PM	5-Yr Note Auction (bl) ★	70		

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From Snooze to Surge: Big Data Week Could Rock Mortgage Rates

Mortgage rates ended the week at exactly the same levels as last Friday on average. This isn't too surprising given the extremely light and inconsequential nature of this week's scheduled economic data. Things get highly consequential next week with the arrival of the monthly jobs report—a cornerstone of market movement that nearly always generates one of the biggest trading d...

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