

MARKET SUMMARY

Complete Recap of Today's Market Activity

Bonds Firing on All Cylinders After Data and Treasury Supply

Market Summary: Wednesday, July 30, 2025 - 9:34AM

The bond market was in flow state on Tuesday with decent overnight gains, steady buying after economic data, a strong 7-yr auction despite the rally, and additional buying after the 7-yr auction. It was as if every cue was a green light for buyers. This can be rationalized as a combination of decently friendly data and Treasury supply timing. Yesterday's auctions didn't benefit from the updated Treasury borrowing estimates. Also, those buyers weren't sure how today's auctions would go. By the time we got to today's 7-yr, we knew what the quarterly refunding announcement looked like, all the other auctions were out of the way, data was reasonably helpful, and we suspect some early month-end buyers thought the time was right to get what they needed for Thursday. Perfect little storm? Sure, why not? Continuation likely requires more friendly data tomorrow. Bonds won't want to take too big a lead-off ahead of NFP Friday without serious justification.

Latest Video Analysis



Bonds Firing on All Cylinders



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UMBS 5.5	99.44	-0.19	10YR	4.374%	+0.052%	7/30/2025 5:00PM EST
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GDP Data Hurting a Bit

- Core PCE Prices QoQ Final (Q2)
 - 2.5% vs 2.3% f'cast, prev 3.5%
- GDP (Q2)
 - 3.0% vs 2.4% f'cast, prev -0.5%
- GDP Deflator (Q2)
 - 2.0% vs 2.2% f'cast, prev 3.8%
- GDP Final Sales (Q2)
 - 6.3% vs prev -3.1%

This is not a bond-friendly GDP print on almost all fronts. The higher quarterly PCE creates the possibility that June was higher than expected (released tomorrow). The 0.6% beat is reasonably large and the big uptick in final sales speaks to organic growth, but that's offset somewhat by another drop in "real final sales to domestic purchasers.

Thankfully, Treasury's quarterly refunding specifics (auction sizes just release at 8:30am as well) were in line with previous amounts and, thus, are not adding to the weakness. 10yr yields are now up 4.4bps at 4.365 and MBS are down an eighth of a point.

UPDATE: Essentially No Reaction to Slightly Stronger ADP

MBS MORNING: Relatively Friendly Labor Market Data Adding to Overnight Gains

Today's Mortgage Rates

30YR Fixed	6.75%	-0.02%	15YR Fixed	6.03%	+0.00%	7/30/2025
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Mortgage Rates Moving Down Again

After three straight days at exactly the same level, average 30yr fixed rates began to move lower again on Tuesday. It should immediately be clarified that the word "began" implies a certain likelihood of continuation whereas no such likelihoods can be guaranteed when it comes to the bond/rate market. In other words, rates did indeed begin to move lower again, but they could stop moving lower as early as tomorrow.

One slight advantage in the present scenario is that the bond market improved steadily throughout the day and most mortgage lenders didn't drop their rates as much as the bond market improvement suggested. This means that the average lender could lower rates a bit more tomorrow assuming the underlying bond market stays exactly where it is right now.

Bonds could easily move either direction tomorrow morning. In addition to volatility that can occur during overnight/overseas trading, there are several big-ticket economic reports set to be released before mortgage lenders set their rates for the day. Then in the afternoon, the Fed announcement can create additional volatility.

Bottom line: today was good, lenders have a bit of a cushion from afternoon bond market gains, and tomorrow is another potentially volatile day (for better or worse).

Time	Event	Actual	Forecast	Prior
Wednesday, Jul 30				
7:00AM	Jul/25 MBA Refi Index	739.3		747.5
7:00AM	Jul/25 MBA Purchase Index	155.6		165.1
8:15AM	Jul ADP jobs (k) ☆	104K	75K	-33K
8:30AM	Q2 GDP deflator (%)	2%	2.2%	3.8%
8:30AM	Q2 GDP Final Sales (%)	6.3%		-3.1%
8:30AM	Q2 Core PCE Prices QoQ Final ☆	2.5%	2.3%	3.5%
8:30AM	Q2 GDP (%) ★	3%	2.4%	-0.5%
10:00AM	Jun Pending Home Sales (%) ☆	-0.8%	0.3%	1.8%
10:30AM	Jul/25 Crude Oil Inventory (ml)	7.698M	-2M	-3.169M
2:00PM	Fed Interest Rate Decision ★★	4.5%	4.5%	4.5%
2:30PM	Fed Press Conference ★★			
2:30PM	Powell Press Conference ★★			
Thursday, Jul 31				
7:30AM	Jul Challenger layoffs (k)	62.075K		47.999K
8:30AM	Jul/19 Continued Claims (ml)	1946K	1960K	1955K
8:30AM	Jun Personal Income (%)	0.3%	0.2%	-0.4%
8:30AM	Jun Inflation-Adjusted Spending (Consumption) (%)	0.3%	0.4%	-0.1%
8:30AM	Jun Core PCE Inflation (y/y) (%) ★	2.8%	2.7%	2.7%
8:30AM	Jul/26 Jobless Claims (k) ★	218K	224K	217K
8:30AM	Jun Core PCE (m/m) (%) ★★	0.3%	0.3%	0.2%
8:30AM	Q2 Employment costs (%) ★★	0.9%	0.8%	0.9%
9:45AM	Jul Chicago PMI ☆	47.1	42	40.4








Recent Housing News

- Buyers See More Choices, Lower Prices in New Home Market
- High Prices and Rates Keep Home Sales Near Cycle Lows
- Mortgage Apps Eke Out Small Gain Thanks to Purchase Activity

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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