MARKET SUMMARY

Complete Recap of Today's Market Activity

Month-End Volatility Erodes Modest Gains

Market Summary: Thursday, July 31, 2025 - 8:22PM

Bonds were slightly stronger in the overnight session and this morning's economic data did little to change that. The initial reaction may have involved a modicum of selling, but it was fully erased by 11:15am. The PM hours saw both stocks and bonds paring long positions for July's final marks. The typical closing bells (3pm and 4pm) accounted for most of the losses. Bonds ultimately gave up all of the overnight gains, but remain close enough to 'unchanged' heading into Friday's big jobs report.

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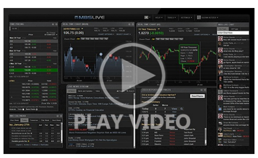

Month-End Volatility Erodes Modest Gains

MBS & Treasury Markets

UMBS 5.5	100.08	+0.67	10YR	4.219%	-0.152%	8/1/2025 5:00PM EST

Slightly More Reprice Risk

Bonds continue to slide amid month-end positioning. MBS are now unchanged on the day and down 6 ticks (.19) from the highs. Lenders are increasingly likely to be considering negative reprices here. In any event, if you were planning on locking before the jobs report, there's zero reason to wait now.

COMMENTARY: What Does July's Data Suggest About Friday's Jobs Report?

UPDATE: Weakest Levels of The Day

30YR Fixed	6.63%	-0.12%	15YR Fixed	5.95%	-0.08%	8/1/2025

Mortgage Rates Hold Near July Lows Ahead of Jobs Report

went to bed last night knowing that the bond market would need to improve in the morning in order for prevailing levels to be maintained. In other words, bonds had begun losing ground yesterday, but not enough for mortgage lenders to go to the trouble of re-issuing rates (something they prefer to do as little as possible).

Thankfully, this morning's economic data was close enough to expectations that bonds managed to hold onto modest overnight improvement. With that, the average lender was able to set today's rates right in line with yesterday's. Incidentally, these are the lowest levels since July 3rd, when the last jobs report came out and caused a quick but fairly tame increase.

Tomorrow morning brings the next installment of the jobs report. As far as bonds/rates are concerned, this is the most important scheduled economic data on any given month. The market is positioned as well as it can be for a stronger or weaker outcome. If job growth is stronger, it would likely result in rates moving higher and vice versa.

Economic Calendar

Time	Event	Actual	Forecast	Prior
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
Friday, Aug 01				
8:30AM	Jul Participation Rate ☆	62.2%		62.3%
8:30AM	Jul Average earnings mm (%) ★	0.3%	0.3%	0.2%
8:30AM	Jul Unemployment rate mm (%) ★★	4.2%	4.2%	4.1%
8:30AM	Jul Non Farm Payrolls (k) ★★	73K	110K	147K
9:45AM	Jul S&P Global Manuf. PMI ☆	49.8	49.5	52.9
10:00AM	Jun Construction spending (%)	-0.4%	0.0%	-0.3%
10:00AM	Jul ISM Manufacturing Employment	43.4		45.0
10:00AM	Jul Sentiment: 1y Inflation (%) ☆	4.5%	4.4%	5%
10:00AM	Jul Sentiment: 5y Inflation (%) ☆	3.4%	3.6%	4%
10:00AM	Jul Consumer Sentiment (ip) ☆	61.7	62	60.7
10:00AM	Jul U Mich conditions ☆	68.0	66.8	64.8
10:00AM	Jul ISM Mfg Prices Paid ★	64.8	70	69.7
10:00AM	Jul ISM Manufacturing PMI ★★	48.0	49.5	49.0
3:10PM	Fed Daly Speech ☆			

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

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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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