

MARKET SUMMARY

Complete Recap of Today's Market Activity

Month-End Volatility Erodes Modest Gains

Market Summary: Friday, August 1, 2025 - 9:35AM

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.

Latest Video Analysis



Month-End Volatility Erodes Modest Gains



Mike David

Producing Branch Manager,
Oklahoma Mortgage Group

www.OklahomaMortgageGroup.com

P: (918) 361-1550

M: (918) 361-1550

mike@omghomeloans.com

6666 S Sheridan Rd
Tulsa Oklahoma 74133
1619714



MBS & Treasury Markets

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

Huge, Instant Rally After Appallingly Low Payroll Count/Revision

- Average earnings mm (Jul)
 - 0.3% vs 0.3% f'cast, prev 0.2%
- Non Farm Payrolls (Jul)
 - 73K vs 110K f'cast, prev 147K (rev 14K)
- Participation Rate (Jul)
 - 62.2% vs prev 62.3%
- Unemployment rate mm (Jul)
 - 4.2% vs 4.2% f'cast, prev 4.1%

Perhaps the most notable feature of this morning's data is the HUGE negative revisions to the past 2 months. They total 258k and bring the 3 month average down to a very alarming 35k. This is obvious rate cut fodder and bonds are reacting accordingly.

10yr yields instantly down 6 bps but look at the 2yr yield.... already down 14 bps.

MBS are up 6 ticks (.19) and they'll take a bit to catch up to the Treasury move, but either way, it's a good day to be a bond.

ALERT: Slightly More Reprice Risk

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

Today's Mortgage Rates

| | | | | | | |
|------------|-------|--------|------------|-------|--------|----------|
| 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.

| Time | Event | Actual | Forecast | Prior |
|----------------|-----------------------------------|--------|----------|-------|
| 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 ☆ | | | |
| Monday, Aug 04 | | | | |
| 10:00AM | Jun Factory orders mm (%) | | -5.2% | 8.2% |
| 10:00AM | Jul Total Vehicle Sales (ml) | | 16.0M | 15.3M |

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...

Mortgage Calculators

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