

MARKET SUMMARY

Complete Recap of Today's Market Activity

Mixed Data Making For Weaker Start

Market Summary: Thursday, August 21, 2025 - 11:41AM

Today is the only day of the week with any economic reports that are relevant to bond market movement. The results are in, and bonds aren't thrilled. Jobless Claims and the Philly Fed headline helped initially. Yields moved back to unchanged levels after some overnight weakness, but the higher inflation component in Philly Fed was already making for second thoughts before the 9:45am S&P PMI data added fuel to the unfriendly reversal. In addition to Manufacturing PMI surging higher, the bigger story is the reported tariff-driven price increases: "Tariffs were reported as the key driver of further cost increases in August. Companies reported the steepest rise in input prices since May and the second-largest increase since January 2023. The manufacturing cost rise was especially large, being the second-steepest since August 2022, the service sector increase was the second-highest since June 2023." Bonds moved to their weakest levels of the morning after that data.

Market Movement Recap

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|----------|---|
| 08:37 AM | MBS are now down only 1 tick (.03) and 10yr yields are close to unchanged at 4.296 after being over 4.315 just before the data. |
| 09:03 AM | 10yr yields are back up to 4.312 (up 1.8bps on the day) and MBS are down 3 ticks (.09) on the day. |
| 09:52 AM | Weakest levels after PMI data. MBS down an eighth and 10yr up 3.3bps at 4.328 |
| 11:22 AM | MBS down 5 ticks (.16) on the day 10yr yields up 4.5bps on the day at 4.35. Fed's Hammack comments are the driver of the most recent weakness |

Latest Video Analysis



Almost No Reaction to Fed Minutes



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MBS & Treasury Markets

UMBS 5.5	99.91	-0.14	10YR	4.337%	+0.042%	8/21/2025 11:40AM EST
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Losing More Ground After Fed's Hammack Comments

MBS are now down 5 ticks (.16) on the day and nearly an eighth of a point from some early lenders' rate sheet print times. 10yr yields are also up to new highs, up 4.5bps on the day at 4.35.

Fed comments are visibly adding to weakness as well as lower rate cut odds via Fed Funds Futures.

HAMMACK: NOT GOING TO SEE FULL TARIFF EFFECT UNTIL NEXT YEAR

HAMMACK: BIGGEST CONCERN IS INFLATION TOO HIGH, TRENDING UP

HAMMACK: WITH DATA NOW, WOULDN'T SEE CASE FOR SEPTEMBER CUT

This would be the earliest threshold for negative reprice risk among the jumpiest few lenders. It would likely take a bit more weakness for the average lender to consider repricing.

MBS MORNING: Mixed Data Making For Weaker Start

UPDATE: And.... It's Gone (Post Data Rally Erased)

Today's Mortgage Rates

30YR Fixed	6.62%	+0.01%	15YR Fixed	5.97%	+0.00%	8/21/2025
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Mortgage Rates Barely Budge

For the 11th straight business day, are very close to the levels from the end of the previous day. Over the past week, however, most of these small day-to-day movements have been microscopically higher. Today's is no exception.

The net effect is that the average top tier 30yr fixed rate is up from 6.53% last Wednesday to 6.61% today. Even that is a fairly minor move in the bigger picture, but it would certainly make for a weaker rate quote if Wednesdays happened to be your mortgage rate shopping days.

To put the overall change in specific, relatable terms, the average borrower would have to pay 0.4% in points to get the same rate quoted last Wednesday. This equates to \$400 for every \$100k borrowed.

Today's modestly higher rates were in place before the afternoon release of the minutes from the most recent Fed meeting (3 weeks ago). The minutes didn't offer any major new revelations beyond those already seen in recent weeks from individual Fed speeches.

Time	Event	Actual	Forecast	Prior
Thursday, Aug 21				
7:30AM	Fed Bostic Speech ☆			
8:30AM	Aug/16 Jobless Claims (k) ★	235K	225K	224K
8:30AM	Aug Philly Fed Business Index ☆	-0.3	7	15.9
8:30AM	Aug Philly Fed Prices Paid	66.80		58.80
8:30AM	Aug/09 Continued Claims (k)	1972K	1960K	1953K
9:45AM	Aug S&P Global Composite PMI ☆	55.4		55.1
9:45AM	Aug S&P Global Manuf. PMI ☆	53.3	49.5	49.8
9:45AM	Aug S&P Global Services PMI ★★	55.4	54.2	55.7
10:00AM	Jul CB Leading Index MoM (%)	-0.1%	-0.1%	-0.3%
10:00AM	Jul Existing home sales (ml) ☆	4.01M	3.92M	3.93M
10:00AM	Jul Exist. home sales % chg (%) ☆	2%		-2.7%
1:00PM	30-Yr Bond Auction (bl) ☆	8		
8:00PM	Jackson Hole Symposium ☆			
Friday, Aug 22				
10:00AM	Fed Chair Powell Speech ★★			
8:00PM	Jackson Hole Symposium ☆			

Recent Housing News

- Existing Home Market Still Crawling Along The Bottom Despite Modest Bounce
- Mortgage Applications Inconsequentially Lower vs Last Week
- Incentives Rise as Builder Confidence Matches 2022 Low

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Mortgage Rates Hit 10-Month Lows — Here’s Why a Fed Cut Might Not Help

Inflation data was in focus this week, with one major report helping mortgage rates officially hit new 10-month lows before the 2nd report pushed back in the other direction. The biggest report, Tuesday’s Consumer Price Index (CPI), was generally friendly for rates despite coming in right in line with forecasts. Some categories showed tariff-related price pressures, but easing in hou...

Mortgage Calculators

-  Mortgage Payment w Amortization
-  Loan Comparison
-  Advanced Loan Comparison
-  Early Payoff
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