

MARKET SUMMARY

Complete Recap of Today's Market Activity

New Week, Same Struggles

Market Summary: Monday, August 25, 2025 - 12:45PM

Last week may have ended on a high note with bonds rallying on Powell's Jackson Hole speech, but perception was better than reality at the time. The reality was/is that Friday's rally merely reinforced the trading range that has been ongoing since the August 1st jobs report. At the present pace and considering the econ calendar in the week ahead, we could be waiting for next jobs report before seeing a meaningful challenge to that range (roughly 4.20-4.35 in 10yr yields). This week's key event is Friday's PCE inflation. Even if it doesn't tend to move markets as much as other reports, it's important confirmation. It's also worth more to the Fed when it comes to making a September rate cut decision.



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Market Movement Recap

10:12 AM moderately weaker overnight and little-changed so far. MBS down an eighth and 10yr up 2.9bps at 4.29

Latest Video Analysis



We're All on Team Transitory Again

MBS & Treasury Markets

UMBS 5.5	100.34	-0.01	10YR	4.275%	+0.015%	8/25/2025 5:00PM EST
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MBS MORNING: Bonds Cheer Powell Pivot

UPDATE: Bonds Rallying on Dovish Powell

Today's Mortgage Rates

30YR Fixed	6.54%	+0.02%	15YR Fixed	5.93%	+0.03%	8/25/2025
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Lowest Rates of The Year (Barely) After Powell Speech

Heading into the week, Fed Chair Powell's speech at the Fed's annual Jackson Hole Symposium was only event on the calendar that held much promise for motivating any major movement in . Not only did it deliver on that promise, but it did so in everyone's favorite direction.

Powell didn't pivot too much from his last major speech on July 30th. But in light of the weak jobs numbers that came out 2 days later, he understandably called out a shift in the balance of risk between inflation and employment.

In not so many words, like several other Fed members have pointed out in recent weeks, Powell essentially said the labor market is looking weak enough to entertain a rate cut in the near future, even as the inflation outlook remains somewhat uncertain.

The market began adjusting for this possibility on August 1st when the rocky jobs numbers came out. Today's speech was interpreted as additional validation of that move.

With that, mortgage rates saw their biggest drop since August 1st, just barely beating out August 13th's lows to claim 2025's lowest spot. October 3rd, 2024 was the last time the average 30yr fixed rate was any lower.

[thirtyyearmortgagerates]

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Monday, Aug 25				
8:00AM	Jul Building Permits (ml)	1.362M	1.354M	1.393M
10:00AM	Jul New Home Sales (%) (%)	-0.6%		0.6%
10:00AM	Jul New Home Sales (ml) ☆	0.652M	0.63M	0.627M
Tuesday, Aug 26				
8:30AM	Jul Durable goods (%) ☆		-4%	-9.3%
8:30AM	Jul Core CapEx (%) ☆		0.3%	-0.7%
8:30AM	Fed Barkin Speech ☆			
9:00AM	Jun FHFA Home Price Index m/m (%)		0%	-0.2%
9:00AM	Jun FHFA Home Prices y/y (%) ☆			2.8%
9:00AM	Jun CaseShiller 20 mm nsa (%)			0.4%
9:00AM	Jun Case Shiller Home Prices-20 y/y (%) ☆		2.2%	2.8%
10:00AM	Aug CB Consumer Confidence (%) ☆		96.4	97.2
1:00PM	2-Yr Note Auction (bl)		69	

Recent Housing News

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

Read My Latest Newsletter

Powell's Speech Greased The Skids For Rates to Slide to 2025 Lows

If you read nothing else below, read this: people are talking about stronger odds of a Fed rate cut in September. Some people assume this means mortgage rates would move lower after that potential rate cut. Those people are wrong, and there is memorable evidence from late 2024 when mortgage rates moved quickly higher from long term lows mere days after the Fed's September rate cu...

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