

MARKET SUMMARY

Complete Recap of Today's Market Activity

Steady Gains After Slightly Weaker Start

Market Summary: Thursday, August 28, 2025 - 4:42AM

Bonds began the day in slightly weaker territory, but not for any particular reason (and certainly for no interesting reasons). For those who care about such things, the yield curve continued to steepen (shorter term yields outperforming longer term yields), but this is fairly irrelevant to the mortgage world as MBS are relatively neutral in curve trading terms (durations are short enough not to get hurt when 30yr bonds are hurting, and long enough to avoid getting hurt when 2yr yields are hurting). Speaking of the neutral part of the curve, today's 5yr auction ended up fairly strong and the reaction helped yields hit their best levels of the day in the afternoon. That said, all of the above is playing out on a micro scale in the bigger picture. We're basically just drifting from one jobs report to the next.

Latest Video Analysis



Steady Gains After Slightly Weaker Start



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UMBS 5.5	100.52	-0.02	10YR	4.233%	-0.002%	8/28/2025 8:42AM EST
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Light Data Calendar Leaves Focus on Treasury Auctions. Do Earnings Matter?

Not that this week's economic calendar is especially robust, but Wednesday's offerings are especially light. There are no monthly economic reports on tap and no major events. The only potential market mover on the calendar is the 1pm auction of 5yr Treasury notes. Treasury auctions are very inconsistent when it comes to their impact on trading levels. They frequently have no impact and occasionally have a modest impact. On rare occasions, they can prompt some of the week's biggest moves, but again, that's the exception. Outside the bond market, NVDA reports earnings today and considering the stock's influence on broader averages, it could create some volatility late in the day. Generally speaking, earnings season is not too relevant for the bond market. The exception is among companies that typically launch huge offerings around the same time. NVDA is not one of those companies.

Bonds are starting the day fairly close to their strongest levels of the past 2 weeks--especially MBS.

- MBS MORNING: Another Slow Start Despite Underlying Drama
- MBS MORNING: New Week, Same Struggles

Today's Mortgage Rates

30YR Fixed	6.50%	-0.01%	15YR Fixed	5.86%	-0.02%	8/28/2025
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Mortgage Rates Hit Another 2025 Low

It continues to be the case that day-to-day changes in average are very small. Today was no exception in that regard. Nonetheless, today represents a technical "record low" for 2025 with average rates edging just slightly lower than those seen on August 22nd and 26th.

Our index (which tracks top tier, conventional 30yr fixed rates for ideal scenarios) is now 6.51%, the lowest it's been since October 3rd 2024 when it was 6.26%.

Virtually all of the recent improvement in rates followed the August 1st jobs report. Everything since August 4th has transpired in a relatively narrow range.

There was no new development that accounted for today's improvement--just a random drift that happened to work out in our favor.

Time	Event	Actual	Forecast	Prior
Thursday, Aug 28				
8:30AM	Q2 Corporate profits (%)	2%		-3.3%
8:30AM	Aug/16 Continued Claims (k)	1954K	1970K	1972K
8:30AM	Q2 GDP Final Sales (%)	6.8%	6.3%	-3.1%
8:30AM	Q2 GDP deflator (%)	2%	2%	3.8%
8:30AM	Q2 Core PCE Prices QoQ Final ☆	2.5%	2.6%	3.5%
8:30AM	Q2 GDP (%) ★	3.3%	3.1%	-0.5%
8:30AM	Aug/23 Jobless Claims (k) ★	229K	230K	235K
10:00AM	Jul Pending Home Sales (%) ☆	-0.4%	-0.1%	-0.8%
1:00PM	7-Yr Note Auction (bl) ★	44		
6:00PM	Fed Waller Speech ☆			
Friday, Aug 29				
8:30AM	Jul Personal Income (%)		0.4%	0.3%
8:30AM	Jul Inflation-Adjusted Spending (Consumption) (%)		0.5%	0.3%
8:30AM	Jul Wholesale inventories mm (%) ☆		0.2%	0.1%
8:30AM	Jul Core PCE Inflation (y/y) (%) ★		2.9%	2.8%
8:30AM	Jul Core PCE (m/m) (%) ★★		0.3%	0.3%
9:45AM	Aug Chicago PMI ☆		46	47.1
10:00AM	Aug Consumer Sentiment (ip) ☆		58.6	61.7
10:00AM	Aug Sentiment: 5y Inflation (%) ☆		3.9%	3.4%
10:00AM	Aug Sentiment: 1y Inflation (%) ☆		4.9%	4.5%
10:00AM	Aug U Mich conditions ☆		60.9	68.0

Recent Housing News

- Home Prices Still Growing, But at The Slowest Pace Since 2012
- New Home Market Remains Stuck in Neutral
- Mixed Mortgage Demand, But Lower Rates Should Help Next Week's Refi Numbers

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...

Mortgage Calculators

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