

MARKET SUMMARY

Complete Recap of Today's Market Activity

Generally Exciting, But Specifically Boring

Market Summary: Thursday, August 28, 2025 - 8:02PM

Heading into the present week, it was incredibly unlikely that we'd see any exciting volatility in the bond market this week. At the very least, we knew that it was really only Friday's PCE data that carried any notable volatility potential. With 4 days down, the "boring" narrative has prevailed. Like every other day this week, Thursday saw mild movement and low volatility with very little connection between events and market movement. But as it happens, the mild movements have all been in the same direction this week, and they're starting to add up. To wit: 10yr yields just hit their lowest 3pm CME close since August 4th and the 2nd lowest since April. MBS are doing even better and mortgage rates reflect that.

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Generally Exciting But Specifically Boring



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MBS & Treasury Markets

UMBS 5.5	100.58	-0.01	10YR	4.206%	+0.000%	8/28/2025 8:01PM EST
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Fairly Steady After Glut of Low-Consequence Data

This morning's economic calendar only looks robust on paper. While quarterly GDP results in numerous line items, they're not as important as they might sound. For instance, PCE prices are an important inflation index, but the version released with GDP applies to Q2 and is thus just revising already-released PCE data. Additionally, it is not capturing any of the July inflation that will be reported with tomorrow's monthly PCE. The same "stale" factor applies to everything in today's GDP release (this is why GDP revisions don't have nearly as much market movement potential as an initial release, which we won't get until October). Jobless Claims data rarely has a big impact and today is no exception. While Continued Claims recovered slightly, it wasn't a big enough bounce to be significant. Weekly claims continue to be boring.

Yields continue operating well within the post-NFP range, but with a friendlier trend since last week's Jackson Hole speech.

MBS MORNING: Light Data Calendar Leaves Focus on Treasury Auctions. Do Earnings Matter?

MBS MORNING: Another Slow Start Despite Underlying Drama

Today's Mortgage Rates

30YR Fixed	6.50%	-0.01%	15YR Fixed	5.86%	-0.02%	8/28/2025
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30yr Fixed Rates Officially Back to 6.50%

There is no singular, official primary source for mortgage rate levels. The going rate is whatever can be locked/closed at any given lender. As such, we rely on surveys and data aggregations in order to routinely monitor the probable going rate.

The longest-standing weekly survey from Freddie Mac was updated today and, while it showed a decline to the lowest levels since October 2024 (something we agree with), it is too slow-moving to reflect the current reality. Freddie's survey showed 6.56% today, and this would be based on the average of the 5 days from last Thursday through yesterday.

MND tracks daily rates based on objective rate sheet data from multiple lenders. We had the average top tier rate at 6.62% last Thursday, but it has fallen since then. To be precise, it fell quickly on Friday after Fed Chair Powell's speech at Jackson Hole. From there, we've been in a narrow range this week, but each of the past 3 days have seen a modest tick lower.

The net effect is an index level of 6.50% today--the lowest we've seen since October 3rd, even if only a hair lower than yesterday.

It's important to understand what 6.50% means in the context of our index. To paraphrase our methodology, this is a best-case-scenario rate that assumes a 780+ credit score and 25% down payment on an owner-occupied purchase loan within the conforming loan limit. 6.50% would be a competitive average. Some lenders will be higher and lower--especially if buydown points come into play.

The rate itself is rather unimportant when it comes to our index (or any index). It's merely a reference point relative to the past. With that in mind, all that matters is that our reference point is at another longer-term low. Being able to say "6.5" is just a fun little bonus.

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

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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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