

MARKET SUMMARY

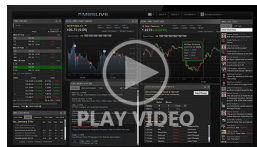
Complete Recap of Today's Market Activity

Incidental, Inconsequential Weakness Ahead of Fed Week

Market Summary: Saturday, September 13, 2025 - 12:57PM

Bonds began the day in modestly weaker territory and yields are heading out right where they started. In fact, yields are also right in line with the opening levels from Monday. This broadly suggests the market got where it was going after the jobs report and is now waiting for the next big shoe to drop. The other way to view this entire week is as an opportunity to book profits and cover shorts on the recent "steepening" trade (which favored buying 2s over 10s). Indeed, 2yr yields mostly sold off this week relative to 10s and today was the only real exception. Either way, there was no concrete cause and effect in the news or econ calendar, so chalk it up to "position squaring ahead of next week's Fed day."

Latest Video Analysis



Incidental, Inconsequential Weakness Ahead of Fed Week



Scott Green

Home Loan Consultant,
Monument Mortgage Group

P: (602) 971-0544 x1

M: (602) 577-8311

scott@scotthelps.com

21501 N. 78th Ave #100
Phoenix AZ 85382

Company NMLS #2512600
Individual NMLS #155901





UMBS 5.5	101.12	+0.02	10YR	4.071%	+0.045%	9/12/2025 5:00PM EST
----------	--------	-------	------	--------	---------	----------------------

Back in The Range After Failed Breakout Attempt

Bonds began the week with 10yr at 4.07 before rallying down to 4.04 by Monday's close. Now on Friday, we're opening at 4.06 and we haven't spent much time trading more than a few bps higher or lower than that for the entire week. Translation: apart from yesterday's attempt to challenge the 4.0% floor, it's been very sideways and uneventful. On the topic of the 4.0% floor, market technicians might be reading some significance into the repeated bounces yesterday amid higher volumes. But one need not be a technician to reconcile the mixed econ data and broad uncertainty with an unwillingness to push an already well-developed post-NFP rally. Bonds will wait for the dot plot before considering the possibility of a true range departure (barring unforeseen shocks, as always).

In other news, MBS are outperforming due to dynamics surrounding "the roll" (monthly settlement process that brings a new coupon to the forefront). The chart makes it look like MBS are lower so far today, but when comparing October delivery coupons to themselves, MBS are actually flat instead of weaker (the 2-day chart shows October coupons today and September coupons yesterday).

-  **ALERT:** MBS Down an Eighth From Mid-AM Highs
-  **MBS MORNING:** Slightly Stronger Start Despite Slightly Higher Inflation

Today's Mortgage Rates

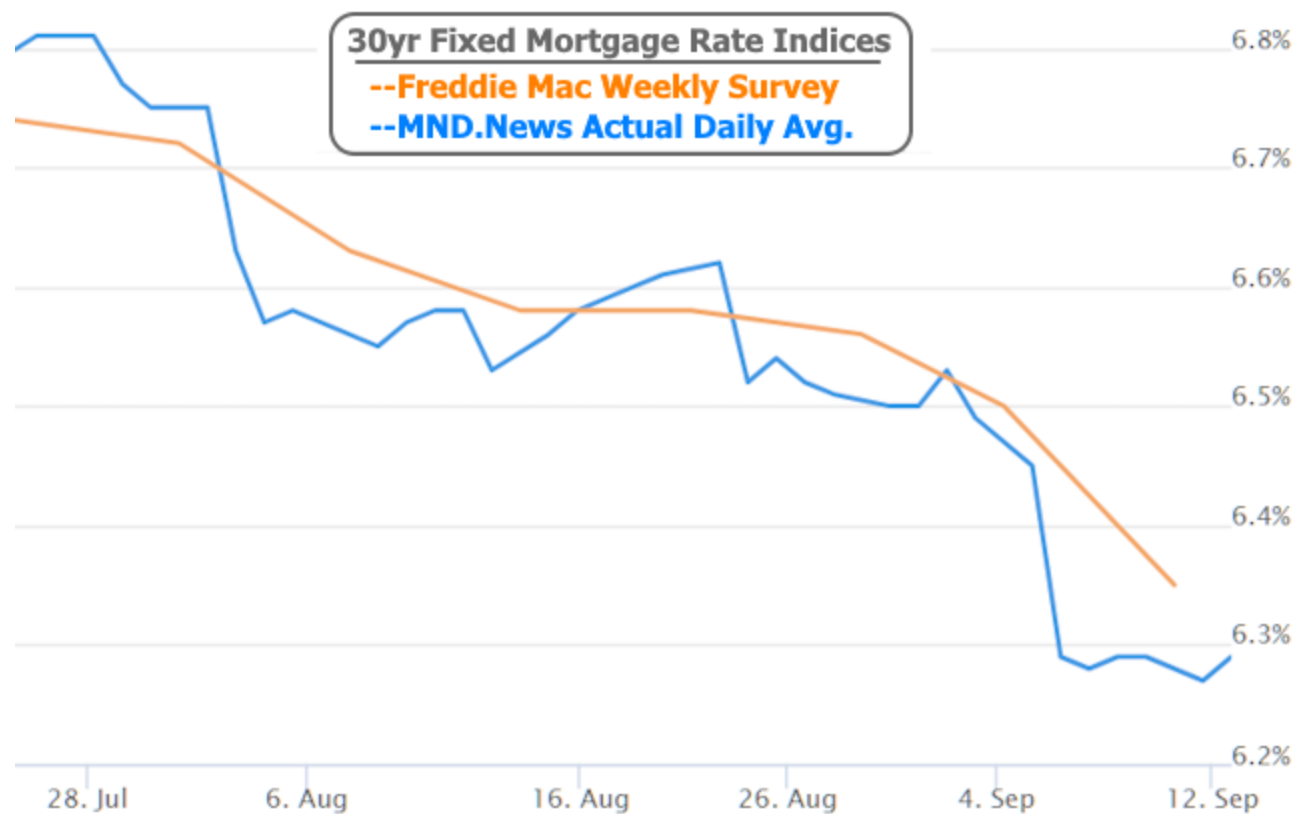
30YR Fixed	6.29%	+0.02%	15YR Fixed	5.72%	+0.02%	9/12/2025
------------	-------	--------	------------	-------	--------	-----------

Mortgage Rates Were Flat All Week No Matter What Other News Suggests

The underlying bond market (which dictates the rates offered by mortgage lenders) weakened moderately overnight. Weaker bonds equate to higher rates, all else equal.

"Higher rates" is contrary to many media outlets' coverage this week, but there's an important reason. Most news organizations that cover mortgage rates rely on Freddie Mac's weekly rate survey for their once-a-week update. Additionally, when Freddie's rate raises/falls appreciably, it receives even more attention.

This frequently creates problems due to the timing and methodology of Freddie's survey. Specifically, the survey is an AVERAGE of the rates seen over the 5 days (Thu-Wed) leading up to Freddie's Thursday release. As such, if rates happen to fall sharply on a Friday (as was the case last week), our DAILY rate tracking will reflect that on Friday while Freddie won't catch up until the following Thursday (yesterday, in this case). By that time, rates hadn't moved any lower, and now today, they're actually a bit higher.



All that to say, the rate drop you're hearing about from Freddie is the same rate drop we told you about last Friday. There's been no meaningful improvement since then, and in fact, a modest increase in rates today.

Today's move in bonds/rates wasn't driven by anything specific and shifts of this size don't demand concrete justification in underlying data or events. It could simply be the case that traders were closing out trading positions for the week and the modest uptick in yields/rates was the incidental result.

Mortgage-specific bonds were even less volatile today, resulting in a mere 0.02% increase in the average 30yr fixed mortgage rate. That brings our index back up to 6.29%, which is in line with this week's other highs and still part of a very narrow range that represents the lowest general levels since October 2024.

Next week brings a much-anticipated Fed announcement. The Fed is virtually 100% likely to cut the Fed Funds Rate by 0.25%. This near-certainty is already baked into today's and the Fed rate cut will have zero impact on mortgage rates in and of itself. Rather, other data release in conjunction with the rate cut could still cause volatility.

The Fed's "dot plot" (a summary of each Fed member's view of the appropriate Fed Funds Rate at various future dates) is of primary importance. The dots help markets gauge the potential path of additional rate cuts in 2025 and beyond. It is a vital tool in calibrating the evolution of the Fed's rate-friendliness as a function of recent economic data. In simpler terms, it will show us how much more willing the Fed is to cut rates in light of recently downbeat labor market data and still-elevated inflation.

Time	Event	Actual	Forecast	Prior
Friday, Sep 12				
12:00AM	Roll Date - UMBS 30YR			
10:00AM	Sep Consumer Sentiment (ip) ☆	55.4	58	58.2
10:00AM	Sep Sentiment: 5y Inflation (%) ☆	3.9%		3.5%
10:00AM	Sep U Mich conditions ☆	61.2	61.3	61.7
10:00AM	Sep Sentiment: 1y Inflation (%) ☆	4.8%		4.8%
12:00PM	WASDE Report (%)			
Monday, Sep 15				
8:30AM	Sep NY Fed Manufacturing ☆		3	11.90
12:00PM	NOPA Crush Report (%)			

Recent Housing News

- Obvious Signs of Life in Mortgage Apps Thanks to Rate Rally
- Refi Demand Improves While Purchase Applications Edge Lower
- Home Prices Still Growing, But at The Slowest Pace Since 2012

Read My Latest Newsletter

The Fed is Cutting Rates Next Week, But Not Mortgage Rates

Markets have settled into a cycle that favors the jobs report as the only critical economic data as far as rates are concerned. This week's inflation data had a chance to claim/preserve a role as a strong supporting actor, but instead, it basically stood aside and left focus on the labor market and the Fed's interpretation of recent labor market weakness. A majority of the notion of "recent lab...

Mortgage Calculators

- 📊 Mortgage Payment w Amortization
- 📊 Loan Comparison
- 📊 Advanced Loan Comparison
- 📊 Early Payoff
- 📊 Should I Refinance?
- 📊 Rent vs. Buy
- 📊 Blended Rate