

MARKET SUMMARY

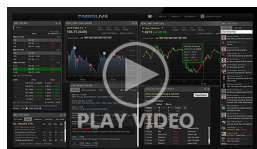
Complete Recap of Today's Market Activity

Uneventful Rally. Retail Sales on Deck

Market Summary: Tuesday, September 16, 2025 - 2:09AM

Bonds began the week on a stronger note, but not for any glaringly obvious reasons. The same was said about Friday's weakness, so perhaps we'll just call it a wash and assume that traders are getting into (or out of) position(s) ahead of this week's Fed Day. Thus morning's NY Fed Manufacturing data fit the rally narrative, but most of the gains were in place beforehand--not to mention the limited track record of impact from that report. Volumes were exceptionally light and volatility was exceptionally low after the initial gains in the AM. Tuesday's Retail Sales data is more capable of moving the needle.

Latest Video Analysis



Uneventful Rally



Dena Rodriguez

Mortgage Banker, The Federal Savings Bank

www.thefederalsavingsbank.com/d

P: (314) 451-2484

M: (830) 310-4939

drodriguez@thefederalsavingsbank

1 South 4th Street
Columbia MO 65201
1250387



UMBS 5.5	101.29	+0.16	10YR	4.038%	-0.029%	9/15/2025 5:00PM EST
----------	--------	-------	------	--------	---------	----------------------

Slow, Slightly Stronger Start to a Potentially Volatile Week

For all the time we spend pushing back on the notion that the Fed Funds Rate is a root cause for volatility in longer-term rates, that push-back always carries a notable caveat: Fed Funds Rate expectations definitely have a direct correlation with longer-term rates.

There are two reasons those expectations can change: markets are either assuming the change due to economic data or markets are reacting to a change in the Fed's reaction function. Fed speeches and especially the quarterly dot plot (a summary of each Fed member's base case rate expectations) account for changes in the reaction function.

This is why the dot plot can be such a big market mover. It also causes volatility because the market spends 3 months trying to get inside the Fed's head and the dots let the market know how good of a job they did.

Bottom line: with a fairly big shift in labor market metrics over the past 3 months, Wednesday afternoon's dot plot is this week's focal point for potential volatility.

Bonds are starting the week slightly stronger after holding fairly steady in the overnight session.

- MBS MORNING: Back in The Range After Failed Breakout Attempt
- ALERT: MBS Down an Eighth From Mid-AM Highs

Today's Mortgage Rates

30YR Fixed	6.25%	-0.04%	15YR Fixed	5.71%	-0.01%	9/15/2025
------------	-------	--------	------------	-------	--------	-----------

Mortgage Rates Start Week at Another Long-Term Low

have done almost nothing but move lower over the past 4 months. The first Fridays in August and September account for about half of the total drop thanks to weaker results in the jobs report.

Since the September 5th jobs report, rates have held a sideways-to-slightly lower range that's resulted in several additional "lowest since" headlines. There's nothing special about today in that regard. Bonds (which dictate rates) happened to improve, so rates inched to another 11+ month low.

Today's levels aren't appreciably different than last Friday's. Volatility is a bigger risk over the next two days thanks to economic data tomorrow morning and the Fed announcement on Wednesday.

Time	Event	Actual	Forecast	Prior
Tuesday, Sep 16				
8:30AM	Aug Export prices mm (%)		-0.1%	0.1%
8:30AM	Aug Retail Sales Control Group MoM ★		0.4%	0.5%
8:30AM	Aug Retail Sales (ex-autos) (%)		0.4%	0.3%
8:30AM	Aug Retail Sales (%) ☆		0.3%	0.5%
8:30AM	Aug Import prices mm (%)		-0.2%	0.4%
9:15AM	Aug Industrial Production (%) ☆		-0.1%	-0.1%
10:00AM	Jul Business Inventories (%) ☆		0.2%	0.2%
10:00AM	Sep NAHB housing market indx ☆		33	32
1:00PM	20-Yr Bond Auction (bl)	13		
8:00PM	International Monetary Market (IMM) Date (%)			
Wednesday, Sep 17				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
7:00AM	Sep/12 MBA Purchase Index			169.1
7:00AM	Sep/12 MBA Refi Index			1012.4
7:00AM	Sep/12 Mortgage Market Index			297.7
8:30AM	Aug Housing starts number mm (ml)		1.37M	1.428M
8:30AM	Aug Building Permits (ml)		1.37M	1.362M
10:30AM	Sep/12 Crude Oil Inventory (ml)			3.939M
2:00PM	Fed Interest Rate Decision ★★		4.25%	4.5%
2:00PM	FOMC Economic Projections ★★			
2:00PM	Interest Rate Projection - 1st Yr			3.6%
2:00PM	Interest Rate Projection - Current			3.9%
2:00PM	Interest Rate Projection - 2nd Yr			3.4%
2:00PM	Interest Rate Projection - Longer			3%
2:00PM	Interest Rate Projection - 3rd Yr			3.1%
2:30PM	Fed Press Conference ★★			

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

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](#)