

MARKET SUMMARY

Complete Recap of Today's Market Activity

Weaker Day, Stronger Week

Market Summary: Friday, October 3, 2025 - 4:53PM

Friday ended up seeing the bond market give up some ground with most of the weakness following the ISM Services data. The headline wasn't the culprit. Rather, resilience in the employment index and persistence in the price index did the damage. Even then, the damage was minimal in the bigger picture and not sufficient to derail what ended up being a stronger week overall.

Market Movement Recap

- 10:01 AM No major reaction to ISM data. MBS down 2 ticks (.06) and 10yr up 1.9bps at 4.101
- 12:03 PM Off the weakest levels. MBS down 2 ticks (.06) after being down more than an eighth earlier. 10yr up 2.8bps at 4.109 after hitting 4.117 earlier.
- 03:34 PM Weakest levels of the day. 10yr yields up 3.8bps at 4.12 and MBS down 6 ticks (.19) on the day.

Latest Video Analysis



Ultra Quiet Session



Matt Graham

Founder and CEO, MBS Live



UMBS 5.0	99.58	-0.03	10YR	4.087%	+0.006%	10/2/2025 8:53PM EST
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Weakest Levels of The Day

Bonds have been sliding into weaker territory after the 3pm CME close with 10yr yields up 3.8bps at 4.12 and MBS down 6 ticks (.19) on the day.

Any lender that priced before 10:15am is seeing at least an eighth of a point of weakness in 5.0 coupons. This is enough for some of the jumper lenders to consider negative reprices.

- ALERT: MBS Down More Than an Eighth
- MBS MORNING: Slightly Weaker After Mixed ISM Data

Today's Mortgage Rates

30YR Fixed	6.34%	-0.02%	15YR Fixed	5.84%	-0.03%	10/3/2025
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Mortgage Rates Lowest Since Fed Day

moved just a bit lower today. Relative to any other day in the past 2 weeks, it was unremarkable. But because the range has been so narrow over that time, and because rates were already at the lower boundary of that range yesterday, it technically resulted in the lowest average rate since Fed Day on September 17th.

The underlying bond market was slightly weaker. This would typically result in mortgage rates moving higher. The catch is the timing of the weakness (and yesterday's strength).

Specifically, bonds improved yesterday afternoon but not enough for the average lender to change its rates for the day. Today's bond market is weaker compared to yesterday afternoon's levels, but stronger than yesterday morning's levels (when a majority of mortgage lenders published rates).

In other words, today's drop in rates had everything to do with yesterday afternoon's bond market gains. All that needed to happen this morning was for bonds not to lose too much of that ground.

Time	Event	Actual	Forecast	Prior
Friday, Oct 03				
6:05AM	Fed Williams Speech ☆			
8:30AM	Sep Non Farm Payrolls (k) ★★		50K	22K
8:30AM	Sep Participation Rate ☆			62.3%
8:30AM	Sep Unemployment rate mm (%) ★★		4.3%	4.3%
8:30AM	Sep Average earnings mm (%) ★		0.3%	0.3%
9:45AM	Sep S&P Global Services PMI ☆	54.2	53.9	54.5
9:45AM	Sep S&P Global Composite PMI ☆	53.9	53.6	54.6
10:00AM	Sep ISM N-Mfg PMI ★★	50.0	51.7	52.0
10:00AM	Sep ISM Services Employment ☆	47.2		46.5
10:00AM	Sep ISM Services Prices ☆	69.4		69.2
10:00AM	Sep ISM Biz Activity ☆	49.9	51.8	55.0
10:00AM	Sep ISM Services New Orders ☆	50.4		56.0
1:30PM	Fed Logan Speech ☆			
1:40PM	Fed Jefferson Speech ☆			
Monday, Oct 06				

Recent Housing News

- 4% Gain in Pending Home Sales Isn't Exactly What it Seems
- Home Price Growth May be The Lowest in Years, But Home Prices Remain Near All-Time Highs
- Mortgage Apps Drop Sharply, But It Was Still The 3rd Best Week in 3 Years

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Small Victory For Rates as Market Waits For Data

Contrary to mainstream notions regarding the Fed rate cut, mortgage rates moved sharply higher on Fed Day as well as the following day. Since then, they've been in a calm, sideways range, but managed to trickle to the lowest levels in that range by the end of this week. This is a logical outcome considering this week's bond market movement. 10yr Treasury yields (the most visible part of the bon...

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