

MARKET SUMMARY

Complete Recap of Today's Market Activity

Slow, Steady Gains Continue

Market Summary: Tuesday, October 21, 2025 - 5:49PM

Perhaps the absence of big-ticket econ data has left bond traders to ponder a reality that they see as economically challenging. Perhaps non-gov reports like today's Philly Fed services index are contributing to those assumptions. Perhaps other indicators like oil, forex, etc. are exerting some influence. Or perhaps this is the tail end of a short-term repricing driven by last week's banking concerns or Fed balance sheet expectations. Either way, volume was light and gains were modest as yields push their lowest levels in more than a year.

Latest Video Analysis



Slow, Steady Gains Continue



Sean A. Stephens,
Esq., CMB®

Attorney, Broker to Banker
Consulting, LLC

www.BrokerToBankerConsulting.com



MBS & Treasury Markets

UMBS 5.0	99.95	+0.05	10YR	3.964%	-0.015%	10/21/2025 5:00PM EST
----------	-------	-------	------	--------	---------	-----------------------

Crude Notions About Underlying Bid

On the one hand, there's not much going on for the bond market these days. The jobs report is a flat-out requirement in terms of informing major changes in momentum. On the other hand, there are a few concerns in the background that have been helping the general uncertainty resolve in favor of buyers. One of last week's contenders was regional bank losses. An ongoing consideration is the level of reserves on the Fed balance sheet (not a huge consideration, and mostly baked-in, but probably modestly positive for bonds when the Fed stops letting reserves go lower).

Then there's oil. Oil should never be mistaken as a primary indicator for bonds. It is infinitely better described as logically correlating due to global economic momentum. But there's no denying oil's role in inflation, and that's yet another small nudge in favor of better bond buying--or at least it can be.

MBS MORNING: Better Buying at 8:20am Open; No Data

MBS MORNING: Bonds Partially Unwinding Yesterday's Liquidity Panic

Today's Mortgage Rates

30YR Fixed	6.17%	-0.05%	15YR Fixed	5.75%	-0.05%	10/21/2025
------------	-------	--------	------------	-------	--------	------------

Another Winning Day For Mortgage Rates

The bonds that underly were only slightly stronger today, but that's never a bad thing when they closed near the best levels in a year the previous day. Additionally, those bonds improved by the end of the day yesterday, meaning that mortgage lenders were going into today with a bit of a cushion.

When lenders set rates, they are basically looking at a constantly-moving bond market and locking in rates that will be in effect for the rest of the day. Mid-day changes only happen if bonds make a big enough move and yesterday's wasn't big enough for most lenders.

Yesterday's cushion combined with today's modest additional improvement for fairly decent drop in the average top tier 30yr fixed rate. We're also now in the zone of rates where movement happens more quickly due to the underlying architecture of the mortgage bond market. In not so many words, this causes rates to accelerate toward levels that end in 0.125 or .625 for reasons that are too esoteric to dig into today (if you want to nerd out, here you go:).

Some lenders are offering their lowest rates in over a year, and some in over 3 years. The average lender is right in line with 1-year lows and close enough to 3-year lows.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Tuesday, Oct 21				
9:00AM	Fed Waller Speech ☆			
10:30AM	NY Fed Treasury Purchases 1 to 2.5 yrs (%)		\$75 million	
3:30PM	Fed Waller Speech ☆			
Wednesday, Oct 22				
7:00AM	Oct/17 Mortgage Market Index	316.2		317.2
7:00AM	Oct/17 MBA Refi Index	1214.7		1168.0
7:00AM	Oct/17 MBA Purchase Index	157.3		166.0
10:30AM	Oct/17 Crude Oil Inventory (ml)	-0.961M	1.2M	3.524M
1:00PM	20-Yr Bond Auction (bl)	13		

Recent Housing News

- Mortgage Apps Dip, But Demand Still Running Strong After September Surge
- Refi Demand Ebbs Gradually As Rates Remain Rangebound
- 4% Gain in Pending Home Sales Isn't Exactly What it Seems

Mortgage Rates Aren't Too Far From 3 Year Lows

If we stopped paying attention at noon on Thursday, it was an uneventful week due to an absence of important economic data, a holiday closure, and a lack of volatility in the underlying bond market. After that, things got interesting. To be fair, things were fairly interesting at the end of the previous week owing to an escalation in trade war tensions with China. With minutes to go on Friday, ...

Mortgage Calculators

-  [Mortgage Payment w Amortization](#)
-  [Loan Comparison](#)
-  [Advanced Loan Comparison](#)
-  [Early Payoff](#)
-  [Should I Refinance?](#)
-  [Rent vs. Buy](#)
-  [Blended Rate](#)