

MARKET SUMMARY

Complete Recap of Today's Market Activity

20yr Treasury Auction to The Rescue

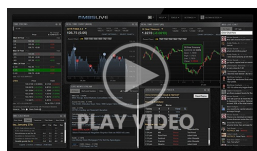
Market Summary: Wednesday, October 22, 2025 - 7:57PM

The day began with a bond market that looked like it might take an opportunity to retrace a small portion of the gains seen in recent days. Even at its worst, it wasn't that threatening (i.e. 10yr yields never rose above 3.98%). But any notion of a pull-back was effectively erased at 1pm with the results of the 20yr bond auction. Bids totaled 2.73 times the auction amount--right in line with the 6-auction average and the yield came in 1.3bps lower than expected. A 20yr auction wouldn't normally be an obvious market mover, but the muted range and dearth of data made the reaction more noticeable. With that, bonds moved back into positive territory on the day and held steady through the 3pm close.

Market Movement Recap

- 10:33 AM Losing some ground after opening stronger. MBS down 2 ticks (.06) and 10yr up 0.5bps at 3.974
- 01:52 PM Decent recovery after 20yr auction. MBS up 1 tick (.03) and 10yr down 1.8bps at 3.952
- 03:33 PM Just off best levels. MBS unchanged and 10yr down 1.5bps at 3.955

Latest Video Analysis



20yr Auction to The Rescue



Dan Beam

SVP - Director Residential Lending, Firsttrust Bank

P: (610) 238-5036

M: (215) 416-4657

1 Walnut Grove Drive
Horsham PA 19044

MBS & Treasury Markets

UMBS 5.0	99.95	0.00	10YR	3.946%	-0.024%	10/22/2025 5:00PM EST
----------	-------	------	------	--------	---------	-----------------------

Modest Early Weakness. Was it About Time?

Think back to October 17th. MBS opened slightly weaker and ended the day down about an eighth of a point. That was the last time we had a weaker start, and there are some parallels to today. In both cases, the weakness was modest. In both cases, the previous session closed at the best levels in at least a month. In fact, yesterday's 5.0 MBS prices matched their best close in over a year. We can definitely forgive (and possibly even *expect*) a small pull-back after such a consistent rally. As discussed in yesterday's video, it was beginning to seem like a good moment for broader consolidation.

And a bonus chart in light of yesterday's discussion of oil prices... Clearly not a 1:1 correlation, but fans of the oil/Treasury connection could at least say the rebound is not doing us any favors.

MBS MORNING: Crude Notions About Underlying Bid

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

Today's Mortgage Rates

30YR Fixed	6.17%	+0.00%	15YR Fixed	5.73%	-0.02%	10/22/2025
------------	-------	--------	------------	-------	--------	------------

Mortgage Rates Steady At Long Term Lows

were perfectly unchanged today, on average. With that, they remain in line with the lowest levels in more than a year and very close to the lowest levels in more than 3 years.

Recent momentum has been moderate and favorable. In the absence of big economic reports that are on hold due to the shutdown, bonds have taken cues from other developments like the new tariffs announced 2 weeks ago and the regional bank drama seen last week.

These market movers would normally be operating in the background--perhaps not even meriting discussion--but the dearth of data and the generally narrow range makes their effects more noticeable.

In thinking about the relatively uneventful return to long-term lows, it's good to remember that momentum comes and goes when it comes to rates and the bond market that drives them. Sometimes, a string of good luck is the only required catalyst for a token pull-back. Bonds are showing some fatigue as 10yr yields have pushed just under 4.0%. It may take some more convincing in the form of data or other events to motivate additional improvement.

Time	Event	Actual	Forecast	Prior
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		
Thursday, Oct 23				
8:30AM	Oct/11 Continued Claims (on hold, shutdown) (k)		1930K	
8:30AM	Oct/18 Jobless Claims (on hold, shutdown) (k) ★		223K	
10:00AM	Sep Exist. home sales % chg (%) ☆			-0.2%
10:00AM	Sep Existing home sales (ml) ☆		4.1M	4M
1:00PM	5-Yr Note Auction (bl) ★		26	

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

Read My Latest Newsletter

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