

MARKET SUMMARY

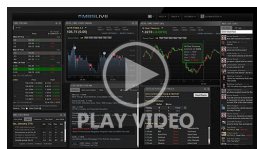
Complete Recap of Today's Market Activity

Decent Recovery After AM Backtracking

Market Summary: Sunday, October 26, 2025 - 5:43PM

CPI data was a mixed bag for bonds. Top-line numbers fueled a quick rally and digestion of the details brought us back to negative territory (albeit with help from stronger S&P PMI data). Bonds found their footing shortly after 10am at just slightly stronger levels and then stayed mostly sideways through the close. Pretty ho-hum CPI day given all the anticipation...

Latest Video Analysis



Decent Recovery After AM Backtracking



Brian and Debra
Brady

Residential and Commercial
Real Estate Finance,
Homeplus Mortgage

BradyMortgage.com

P: (858) 699-4590

M: (727) 275-0104

San Diego, CA
Tampa FL 33602

NMLS 339261
NMLS 2415712



UMBS 5.0	99.87	+0.13	10YR	4.002%	+0.000%	10/24/2025 5:00PM EST
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Treasuries Turning Red After S&P PMI Data

- S&P Global Composite PMI (Oct)
 - 54.8 vs -- f'cast, 53.9 prev
- S&P Global Manuf. PMI (Oct)
 - 52.2 vs 52 f'cast, 52.0 prev
- S&P Global Services PMI (Oct)
 - 55.2 vs 53.5 f'cast, 54.2 prev

MBS are off nearly an eighth from their post-data highs and 10yr yields are back into negative territory after the S&P PMI data. As is almost always going to be the case, the services index carries more weight and it rose to 55.2 from 54.2 last time, well above the 53.5 forecast.

10yr yields are now up 0.6bps at 4.008 and MBS are back near unchanged on the day.

MBS MORNING: Pros and Cons in CPI Report

UPDATE: First Move is Stronger After CPI

Today's Mortgage Rates

30YR Fixed	6.19%	+0.01%	15YR Fixed	5.76%	+0.02%	10/24/2025
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Mortgage Rates Little-Changed Despite Decent Inflation Data

This morning brought the release of the much-anticipated Consumer Price Index (CPI). This is one of the two biggest inflation reports from the U.S. government, and the only government inflation report that's coming out during the shutdown. With big government data being a key consideration for , this special release got extra attention.

Core monthly inflation was lower than expected (.227% vs 0.3 forecast) as was the annual level at 3.0% versus a median forecast of 3.1%. Inflation is the nemesis of interest rates, so the lower-than-expected result is rate-friendly at face value. The underlying bond market agreed to some extent. The first reaction was stronger, thus implying lower .

But mortgage lenders don't tend to publish rates for the day until around 10am ET, 90 minutes after CPI came out. In that time, bonds had second thoughts about how strong their reaction would be--possibly due to internal components of the data that suggested non-tariff-related inflation remains elevated outside after removing the impact from housing payments.

Bonds remained in just barely stronger territory, but didn't quite make it back to yesterday morning's levels. As such, most mortgage lenders were just a hair higher in rate compared to yesterday--a completely logical outcome based on how bonds were trading.

The best way to view today's rate move (or lack thereof) in the context of the inflation data is to say that rates would have been more noticeably higher in the absence of CPI.

Time	Event	Actual	Forecast	Prior
Friday, Oct 24				
8:00AM	Sep Building Permits (ml)			
8:30AM	Sep y/y Headline CPI (%) ☆	3%	3.1%	2.9%
8:30AM	Sep m/m Headline CPI (%) ★	0.3%	0.4%	0.4%
8:30AM	Sep m/m CORE CPI (%) ★★	0.2%	0.3%	0.3%
8:30AM	Sep y/y CORE CPI (%) ★★	3%	3.1%	3.1%
8:30AM	Sep m/m CORE CPI (%) ★★			
9:45AM	Oct S&P Global Composite PMI ☆	54.8		53.9
9:45AM	Oct S&P Global Manuf. PMI ☆	52.2	52	52.0
9:45AM	Oct S&P Global Services PMI ☆	55.2	53.5	54.2
10:00AM	Oct Sentiment: 1y Inflation (%) ☆	4.6%	4.6%	4.7%
10:00AM	Oct Sentiment: 5y Inflation (%) ☆	3.9%	3.7%	3.7%
10:00AM	Oct U Mich conditions ☆	58.6	61.0	60.4
10:00AM	Sep New Home Sales (ml) ☆		0.71M	0.8M
10:00AM	Oct Consumer Sentiment (ip) ☆	53.6	55	55.1
10:00AM	Sep New Home Sales (%) (%)			20.5%
Monday, Oct 27				
8:30AM	Sep Core CapEx (%) ☆			0.6%
8:30AM	Sep Durable goods (%) ☆		0.3%	2.9%
11:30AM	2-Yr Note Auction (bl)		69	
1:00PM	5-Yr Note Auction (bl) ★		70	

Recent Housing News

- Existing Home Sales Rose Last Month, But The Bigger Picture Hasn't Changed
- Weaker Purchase Demand Offset by Stronger Refis
- Mortgage Apps Dip, But Demand Still Running Strong After September Surge

Read My Latest Newsletter

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

The end of October brings the next Fed announcement and it is a 100% certainty that they will be cutting rates again. Many people believe this means lower mortgage rates. Many people are wrong. To be perfectly fair, mortgage rates COULD move lower after the Fed rate cut, but they could also move higher. We've certainly seen our fair share of counterintuitive reactions to rate cuts in the past. ...

Mortgage Calculators

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