

MARKET SUMMARY

Complete Recap of Today's Market Activity

Bonds Improve After Treasury Auctions

Market Summary: Tuesday, October 28, 2025 - 10:04AM

Treasury auctions don't always cause a reaction in bonds, but they did today. This has less to do with the results being remarkable and more to do with the fact that there were two big auctions on a Monday (as opposed to the typical auction schedule that plays out Tue-Thu) as well as the fact that there's not much else going on in terms of data due to the shutdown. In hindsight, we can see the market likely built in a small concession ahead of these auctions, and the concession was traded back out after the auction results printed. One final way we know the auctions are having an impact is via the outperformance of MBS. Since MBS aren't weighed down by a big glut of new supply, they were free to outperform both 10 and 5yr Treasuries--something like probably would not have happened so decisively in the absence of the auction cycle.

Latest Video Analysis



Bonds Improve After Treasury Auctions



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MBS & Treasury Markets

UMBS 5.0	100.11	+0.08	10YR	3.975%	+0.000%	10/28/2025 5:00PM EST
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Pre-Fed Consolidation, Pre-Auction Concession

As the shutdown continues, econ data remains sparse. This makes for smaller, more range-bound movement overall with last week making a decent case to established the floor of the current range in Treasury yields. A good-but-not-good-enough CPI helped seal the deal on Friday, but the impending Fed announcement is just as relevant. The market has already priced in the 25bp cut and has moved on to the next consideration: a vs press conference. Combine that uncertainty with the need to underwrite the week's accelerated Treasury auction cycle (Mon/Tue as opposed to the normal Tue-Thu) and it's completely forgivable to see 10yr yields respecting a floor of 3.97 after briefly challenging it last week.

ALERT: Treasuries Turning Red After S&P PMI Data

MBS MORNING: Pros and Cons in CPI Report

Today's Mortgage Rates

30YR Fixed	6.13%	-0.06%	15YR Fixed	5.72%	-0.04%	10/28/2025
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Mortgage Rates Perfectly Flat to Start The Week

fell to the lowest levels in a month last Tuesday and barely budged through the rest of the week. Now, at the start of the new week, the average lender is perfectly unchanged from last Friday. This means there are only a small handful of days with meaningfully lower rates going all the way back to late 2022.

As the government shutdown continues, the bond market (which dictates rates) continues missing out on the bulk of relevant economic reports that normally help guide momentum throughout the month. Depending on the day, however, there can be other sources of inspiration.

In today's case, the bond market took some solace from a well-received auction of US Treasuries. When it comes to auctions, when demand is stronger than expected, it can put some downward pressure on rates. This happened today, and it prompted a small handful of lenders to issue mid-day improvements, but it wasn't enough to change the average rate.

Time	Event	Actual	Forecast	Prior
Tuesday, Oct 28				
9:00AM	Aug FHFA Home Price Index m/m (%)	0.4%	0.1%	-0.1%
9:00AM	Aug FHFA Home Prices y/y (%) ☆	2.3%		2.3%
9:00AM	Aug Case Shiller Home Prices-20 y/y (%) ☆	1.6%	1.9%	1.8%
9:00AM	Aug CaseShiller 20 mm nsa (%)	-0.6%		-0.3%
10:00AM	Oct CB Consumer Confidence (%) ☆	94.6	93.2	94.2
1:00PM	7-Yr Note Auction (bl) ★	44		
Wednesday, Oct 29				
7:00AM	Oct/24 MBA Purchase Index			157.3
7:00AM	Oct/24 Mortgage Market Index			316.2
7:00AM	Oct/24 MBA Refi Index			1214.7
8:30AM	Sep Wholesale inventories (o (%) ☆		-0.2%	
10:00AM	Aug Wholesale inventories (o (%) ☆		-0.2%	0%
10:00AM	Sep Pending Home Sales (%) ☆		1.6%	4%
10:30AM	Oct/24 Crude Oil Inventory (ml)		-0.4M	-0.961M
11:30AM	2-Year FRN Auction (%)			0.200%
11:30AM	2-Yr Note Auction (bl)		30	
2:00PM	Fed Interest Rate Decision ★★		4.0%	4.25%
2:30PM	Fed Press Conference ★★			

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