MARKET SUMMARY

Complete Recap of Today's Market Activity

MBS Continue to Outperform as Auctions Weigh on Treasuries

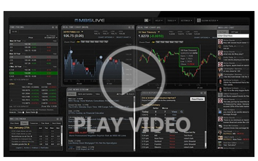
Market Summary: Tuesday, October 28, 2025 - 11:44AM

First off, bonds are doing fine this morning. 10yr yields are technically higher on the day, but only when compared to yesterday's 5pm levels. As far as most trade desks are concerned, 3pm is the closing time for Treasuries, and against that benchmark, we're slightly stronger on the morning. MBS are stronger still, almost certainly because they don't have to concern themselves with the digestion of $183bln of new issuance over the first 2 days of the week (unlike Treasuries). With that in mind, keep an eye on today's auction results (typically 1:02pm, despite the 1pm official time). Bonds will either be seeing some post-supply relief, or simply locking into whatever the pre-Fed positioning trade may be.

Market Movement Recap

10:38 AM	2 way volatility early. MBS back to unchanged. 10yr still weaker, up 1.8bps at 3.993

Latest Video Analysis



Bonds Improve After Treasury Auctions

Justin Stearns

Mortgage Broker, Assist Home Loans

www.assisthomeloans.com

P: (805) 475-4900

M: (805) 757-0544

justin@assisthomeloans.com

NMLS 258870

MBS & Treasury Markets

UMBS 5.0	100.14	+0.10	10YR	3.978%	+0.003%	10/28/2025 3:44PM EST

MBS Continue to Outperform as Auctions Weigh on Treasuries

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Bonus chart: Labor Differential (a metric inside the consumer confidence numbers that shows the spread between those who view jobs as being plentiful vs those who say jobs are "hard to get"). It's hard to see in the chart, but that 9.40 reading is up slightly from last month.

MBS MORNING: Pre-Fed Consolidation, Pre-Auction Concession

ALERT: Treasuries Turning Red After S&P PMI Data

Today's Mortgage Rates

30YR Fixed	6.13%	-0.06%	15YR Fixed	5.72%	-0.04%	10/28/2025

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.

Economic Calendar

Last Week | This Week | Next Week

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 (%) ☆		1.7%	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