MARKET SUMMARY

Complete Recap of Today's Market Activity

Modestly Stronger Ahead of Fed Day

Market Summary: Wednesday, October 29, 2025 - 12:02AM

Without any market moving econ data on Tuesday, bonds finally managed to find a bid. Or at least that's how it seemed during domestic hours. When considering the overnight session, we actually saw yields hit their lows of the day before the open, sell-off a bit at 8:20-8:40am surrounding a weekly employment update from ADP, and then return to the best levels mid-day. The 7yr auction was slightly weaker, but bonds didn't mind (perhaps just relieved to have supply in the rearview). With tomorrow's Fed cut a 100% certainty, volatility potential depends on Powell's press conference as well as whether or not the Fed makes any sort of announcement to end quantitative tightening (something that has been increasingly speculated by trade desks). The QT news wouldn't be as big as it sounds, but it might help a bit (or hurt a bit if it's not announced).

Latest Video Analysis

Modestly Stronger Ahead of Fed Day

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MBS & Treasury Markets

UMBS 5.0	100.11	+0.01	10YR	3.978%	+0.002%	10/29/2025 4:02AM EST

MBS Continue to Outperform as Auctions Weigh on Treasuries

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.

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%	+0.00%	15YR Fixed	5.73%	+0.01%	10/29/2025

Lowest Rates in a Year. Tomorrow's Fed Announcement Could Push Them in EITHER Direction

Rates have been flirting with long term lows over the past 2 weeks, but today made it official. Today's average top tier 30yr fixed rate perfectly matched that seen on September 16th, 2025. That's the lowest it's been since September 2024, and we're so close to those lows that it's just as fair to say rates are the lowest they've been in over 3 years.

Today's move didn't come in response to anything specific. In fact, most of the justification for it was seen in yesterday's trading session and simply didn't have an opportunity to impact the average lender until this morning. Incidentally, there are similar vibes this afternoon as bonds have once again improved too late in the day for most lenders to go to the trouble of adjusting .

That means that if bonds (upon which rates are based) manage to hold their current levels through tomorrow morning, rates could be a bit lower again tomorrow. Of course, after that, there's a fair amount of potential volatility associated with the Fed announcement at 2pm ET.

We already know the Fed will be cutting rates tomorrow and that rate cut has no bearing on what happens to mortgage rates going forward. Rather, it would be the tone of the Fed's press conference, or the nature of any changes in the Fed's bond buying policies (something that might be included in tomorrow's statement).

Bottom line: rates are already low today. The Fed rate cut won't make them go any lower. Other info from the Fed could make them go EITHER higher or lower, depending on what's said.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Wednesday, Oct 29				
7:00AM	Oct/24 MBA Purchase Index	164.3		157.3
7:00AM	Oct/24 Mortgage Market Index	338.7		316.2
7:00AM	Oct/24 MBA Refi Index	1327.8		1214.7
10:00AM	Sep Pending Home Sales (%) ☆	0%	1.6%	4%
10:30AM	Oct/24 Crude Oil Inventory (ml)	-6.858M	-0.2M	-0.961M
11:30AM	2-Year FRN Auction (%)	0.190%		0.200%
11:30AM	2-Yr Note Auction (bl)	30		
2:00PM	Fed Interest Rate Decision ★★	4.0%	4.0%	4.25%
2:30PM	Fed Press Conference ★★			
Thursday, Oct 30				
8:30AM	Oct/11 Continued Claims (on hold, shutdown) (k)		1930K	
8:30AM	Oct/18 Jobless Claims (on hold, shutdown) (k) ★		223K	
8:30AM	Q3 GDP deflator (%)		2.8%	2.1%
8:30AM	Q3 GDP (on hold, shutdown) (%) ★		3%	3.8%
8:30AM	Q3 GDP Final Sales (%)			7.5%
8:30AM	Oct/25 Jobless Claims (on hold, shutdown) (k) ★			
8:30AM	Q3 Core PCE Prices QoQ (on hold, shutdown) ☆		2.9%	2.6%
8:30AM	Oct/18 Continued Claims (on hold, shutdown) (k)			
9:55AM	Fed Bowman Speech ☆			
10:30AM	NY Fed Treasury Purchases TIPS 7.5 to 30 yrs (%)		$25 million	
1:15PM	Fed Logan Speech ☆			

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