

MARKET SUMMARY

Complete Recap of Today's Market Activity

Another **Hawkish** Powell Press Conference Harshes Bonds' Mellow

Market Summary: Wednesday, October 29, 2025 - 10:12PM

The Fed cut rates and ended QT. Neither were surprises for markets and neither had an impact. The press conference was **hawkish**, however, with Powell saying a December cut was far from a foregone conclusion. This is very much counter to the market's expectation that a December cut was a lock. Fed Funds Futures tanked and yields surged about 8bps in the 10yr. MBS lost about 3/8ths and negative reprices continue to roll in.

Latest Video Analysis



Another Hawkish Powell Press Conference Harshes Bonds' Mellow

MBS & Treasury Markets

UMBS 5.0	99.55	-0.07	10YR	4.096%	+0.024%	10/30/2025 5:00PM EST
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Reprices Becoming Likely After Powell Comment on Dec Cut

POWELL: RATE CUT IN DECEMBER IS 'FAR FROM' FOREGONE CONCLUSION - BBG

Following that comment, bonds have sold off more aggressively, with MBS down 9 ticks (.28) and 10yr yields up 6.5bps at 4.041.

Negative reprices are now becoming likely.

ALERT: Weakest Levels Ahead of Powell Press Conference

ALERT: First Move After Fed is Mixed

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Today's Mortgage Rates

30YR Fixed	6.33%	+0.06%	15YR Fixed	5.85%	+0.03%	10/30/2025
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Yet Again, Mortgage Rates Surge Higher After Fed Rate Cut

Today was not a foregone conclusion and there was no way to know ahead of time that it would end like this, but the outcome is exactly why we've gone to such lengths to warn you about the potentially paradoxical reaction to a Fed rate cut.

Too many people repeat the fallacy that will benefit from a Fed cut. We have several recent examples of the exact opposite happening, and now today adds another strong reminder with the average lender moving higher at the fastest pace since the day after the last Fed meeting.

Why does this happen?

It has nothing to do with the rate cut itself. As we warned, volatility would come from Fed Chair Powell's press conference. In today's case, Powell said that another rate cut in December was not a foregone conclusion. This was at odds with the market's expectations, so there was a rush to reprice those expectations.

As always, today's rates instantly adjust to expectations for rates in the future (the main reason that Fed rate cuts do little-to-nothing to impact market rates).

In relative terms, rates are still lower than most of the past year, but back up to similar levels seen on October 14/15th.

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 ★★			
2:30PM	Powell Press Conference ★★			
Thursday, Oct 30				
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

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