

Uneventfully Flat After Initial Weakness

Market Summary: Friday, October 31, 2025 - 12:51AM

The bond market only had a little more selling to do thanks to the unpleasant tailwind from Wednesday afternoon's Fed press conference. That said, one could also argue that [corporate bond](#) issuance was the source of early weakness. Either way, yields are now back where they would have been in lieu of the Oct 10th tariff announcement and the Oct 16th regional bank drama (the two biggest recent events that pushed them lower). Fed rate expectations for the December meeting are worse off--nearly back to levels seen BEFORE the jobs report that came out in early September. This highlights the extent to which the market was overestimating the near-term rate cut path. What next? More of the same: waiting for data that won't be reported and making do with available private data.

Latest Video Analysis



Uneventfully Flat After Initial Weakness

MBS & Treasury Markets

UMBS 5.0	99.47	-0.08	10YR	4.099%	+0.004%	10/31/2025 4:51AM EST
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Negative Reprice Risk Increasing For Some Lenders

MBS are only down 2 ticks (.06) on the day, but lenders who repriced near the highest levels of the day are now seeing 6 ticks (.19) of weakness. That's enough for many of those lenders to consider pulling pricing back a bit.

10yr yields are still off the morning highs, but up 2.3bps at 4.095.

Nothing specific driving the weakness... just a drifty correction after the initial rally.

- MBS MORNING: Enthusiasm Curbed. Back to Waiting
- ALERT: Reprices Becoming Likely After Powell Comment on Dec Cut



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Today's Mortgage Rates

30YR Fixed	6.28%	-0.05%	15YR Fixed	5.81%	-0.04%	10/31/2025
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Mortgage Rates Are Anything But Lower This Week

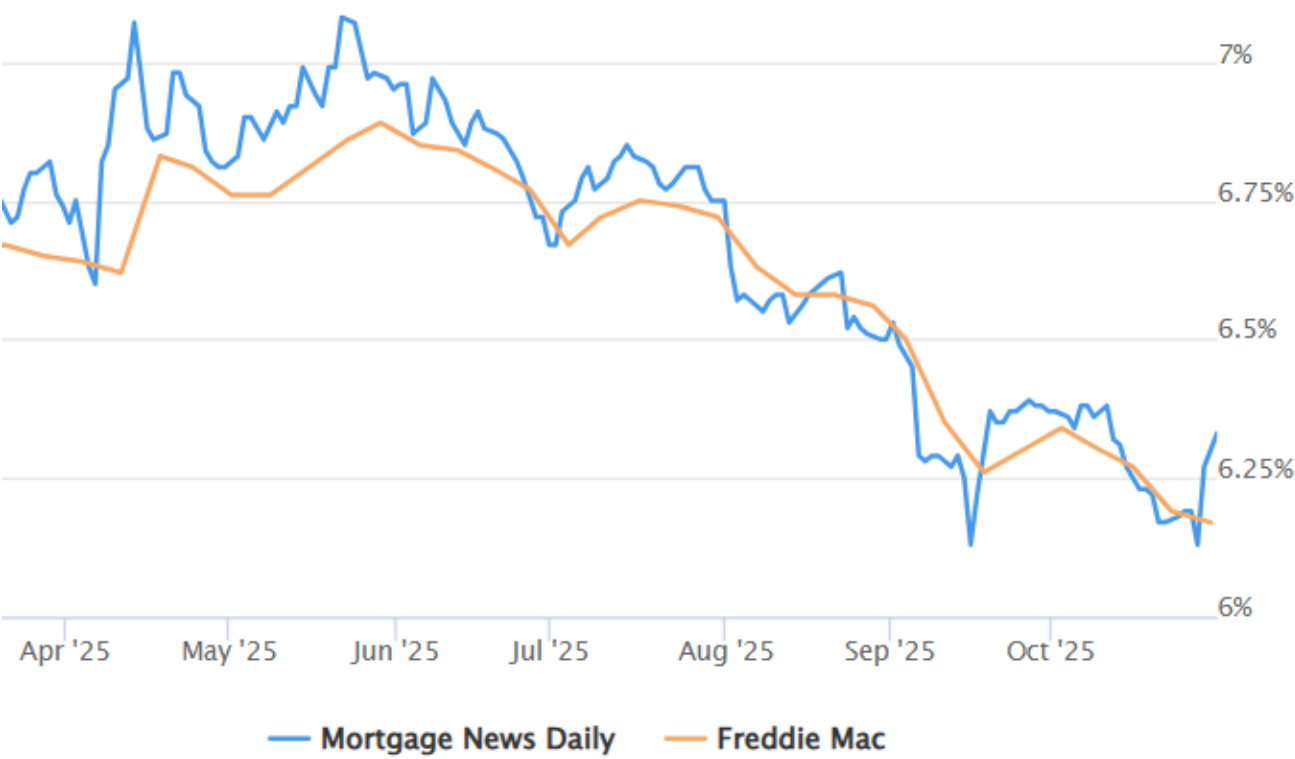
Every now and then, a Thursday comes along where we have to set the record straight on what is actually going on with . That's because Freddie Mac releases its weekly mortgage rate survey on Thursdays and its methodology can cause confusion in the mortgage market.

This particular Thursday is an especially treacherous minefield of misinformation due to the juxtaposition with yesterday's Fed rate cut. There are already too many people out there repeating the faulty notion that the Fed rate cut means lower mortgage rates. Adding fuel to that fire are various headlines today (quoting Freddie's data) saying that mortgage rates have fallen to the lowest levels in more than a year.

Mortgages rates certainly WERE at the lowest levels in more than year when we . But what a difference 2 days make...

Actual daily average rates are up 0.20% since then--the fastest 2 day rise since the exact same thing happened after last month's Fed rate cut. We'd urge those who didn't absorb the lesson back then to do so today. Bottom line: mortgage rates had already responded to all of the news and data that resulted in the Fed rate cuts. By the time those cuts actually happen, they have no additional power to influence rates (other than the Fed Funds Rate itself, which is not a mortgage rate except in limited cases specific to Home Equity Lines of Credit based on the Prime Rate).

How does Freddie get it so wrong? They don't. They just get it "so late." Freddie is reporting their rate as an average of last Thursday through this past Wednesday, and 4 out of those 5 days saw exceptionally low rates. As we noted yesterday, mortgage rates were already surging higher, but not until the afternoon. This means even yesterday's rate spike was too late in the day to push Freddie's average any higher. In other words, it was perfectly bad timing for Freddie's Thursday release to be as low as it possibly could have been.



Time	Event	Actual	Forecast	Prior
Friday, Oct 31				
8:30AM	Q3 Employment costs (on hold due to shutdown) (%) ★★		0.9%	0.9%
9:30AM	Fed Logan Speech ☆			
9:45AM	Oct Chicago PMI ☆	43.8	42.3	40.6
12:00PM	Fed Bostic Speech ☆			
12:00PM	Fed Hammack Speech ☆			
Monday, Nov 03				
9:45AM	Oct S&P Global Manuf. PMI ☆		52.2	52.0
10:00AM	Aug Construction spending (%)		-0.1%	-0.1%
10:00AM	Oct ISM Manufacturing Employment			45.3
10:00AM	Oct ISM Mfg Prices Paid ★		62.6	61.9
10:00AM	Oct Total Vehicle Sales (ml)		15.6M	16.4M
10:00AM	Oct ISM Manufacturing PMI ★★		49.2	49.1
10:00AM	Sep Construction spending (%)			
12:00PM	Fed Daly Speech ☆			
2:00PM	Fed Cook 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

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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. ...

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