

MARKET SUMMARY

Complete Recap of Today's Market Activity

Some Early Month-End Buying

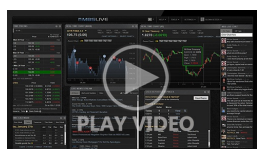
Market Summary: Friday, October 31, 2025 - 11:47AM

With the shutdown ongoing, and the big ticket econ data vanished into the void, there's little for the bond market to do apart from get its books in order for month-end. If you're curious about some of the month-end trading considerations that can impact bonds, we have a primer. Month-end can involve either buying or selling (or both). Timing can vary, but the more visible impacts tend to show up between 8-10am and/or around the 3pm CME close or 4pm NYSE close. So far today, this morning's strength has some month-end flavor with apparent asset-allocation trading (bond yields and stock prices moving in same direction) starting at the 8:20am CME open. End of day volatility is a possibility, but not a guarantee. Either way, as hoped, the market got this week's post-Fed trading out of the way by yesterday mid-day.

Market Movement Recap

- 09:44 AM A hair weaker overnight, but gaining ground since the open. MBS up 5 ticks (.16) and 10yr down 1bp at 4.086
- 11:43 AM MBS up 2 ticks (.06) on the day but down an eighth from the AM highs. 10yr now up 0.2bps at 4.097

Latest Video Analysis



Uneventfully Flat After Initial Weakness



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UMBS 5.0	99.55	0.00	10YR	4.074%	-0.021%	10/31/2025 5:00PM EST
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Down an Eighth From Highs

Bonds are still in modestly positive territory but off the best levels to the tune of an eighth of a point in MBS. This could be considered the earliest threshold for negative reprice risk among the jumpiest lenders.

10yr yields are back to unchanged at 4.094. There are no overt motivations for the selling, and the move is too small to require them.

MBS MORNING: Some Early Month-End Buying

ALERT: Negative Reprice Risk Increasing For Some Lenders

Today's Mortgage Rates

30YR Fixed 6.28% -0.05%

15YR Fixed 5.81% -0.04%

10/31/2025

Mortgage Rates Are Anything But Lower This Week

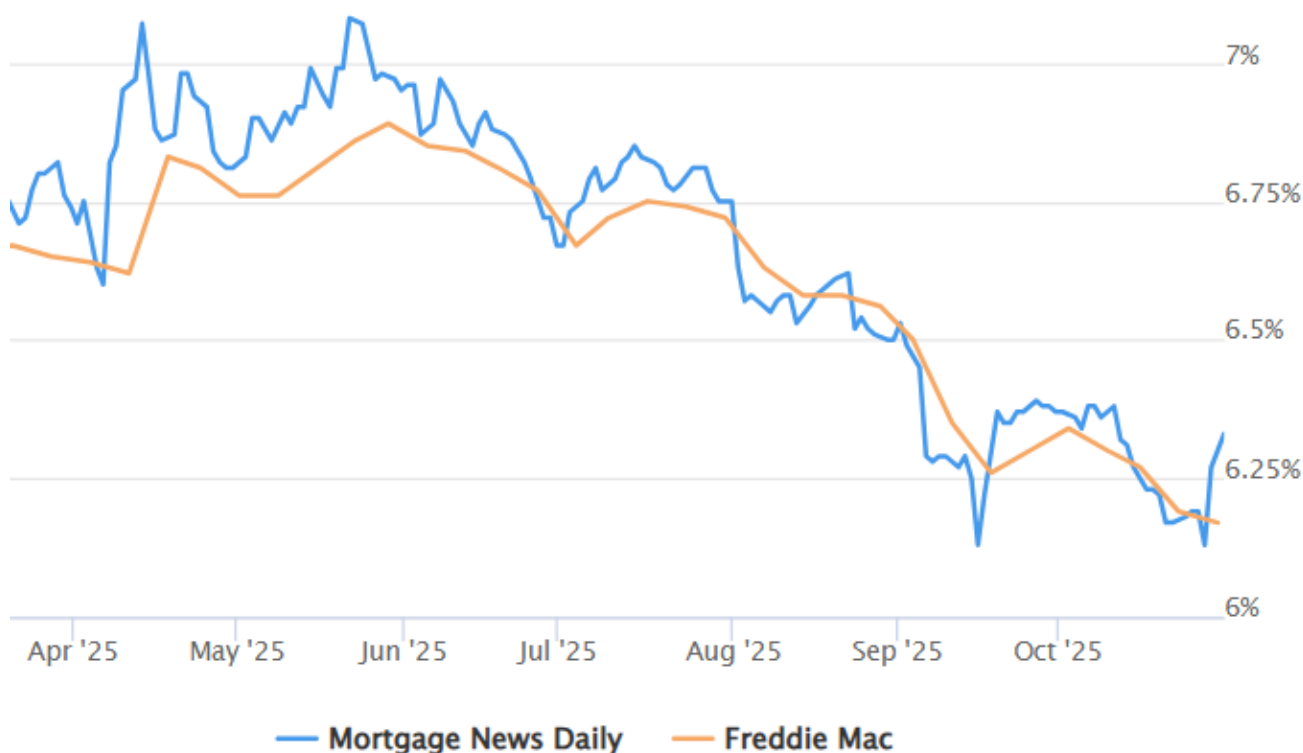
Every now and then, a Thursday comes along where we have to set the record straight on what is actually going on with . That's because Freddie Mac releases its weekly mortgage rate survey on Thursdays and its methodology can cause confusion in the mortgage market.

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

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