

MBS Outperforming Longer-Term Treasuries

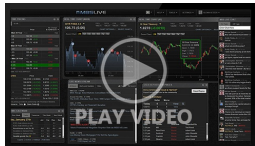
Market Summary: Tuesday, December 2, 2025 - 12:55PM

The early days of a new trading month and the positioning ahead of next week's Fed announcement have resulted in clear curve trading biases. In English, this means that shorter-term Treasuries are doing much better than longer-term Treasuries. For example, 2yr yields are down 2.4bps while 10yr yields are up 1.1bps. This dynamic is usually good for MBS because the average implied duration for MBS is closer to 5 years than 10 these days. The result: MBS and 5 year Treasuries are both slightly stronger on the day while 10s are still slightly weaker.

Market Movement Recap

10:38 AM Weaker start, but bouncing back a bit now. MBS up 2 ticks (.06) and 10yr yield up 1bp at 4.098

Latest Video Analysis



Complete Silence After AM Volatility

MBS & Treasury Markets

UMBS 5.0	99.61	+0.07	10YR	4.093%	+0.005%	12/2/2025 12:54PM EST
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MBS MORNING: Breaking Down Early Weakness. Is It Japan?

MBS MORNING: Stronger Data. Weaker Start For Bonds

Today's Mortgage Rates

30YR Fixed	6.30%	-0.01%	15YR Fixed	5.79%	-0.01%	12/2/2025
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Mortgage Rates Erase Last Week's Gains

are based on bonds and the bond market is prone to erratic behavior on major holiday weeks. One of the more common patterns is for the holiday week to see a noticeable departure from a prevailing trend only to return to that trend in the following week.

That's exactly what we're seeing on the first day of the new week. The prevailing trend saw rates hold a narrow, sideways range with the average top tier 30yr fixed rate in the 6.3s. Last week saw that average drop to 6.20% and now today, we're right back up to 6.31%.

[thirtyyearmortgagerates]

In the coming days, economic data should have a bigger impact on rates than the sort serendipity at work today.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Tuesday, Dec 02				
10:00AM	Fed Bowman Speech ☆			
10:10AM	Dec IBD economic optimism	47.9	44.1	43.9
2:00PM	Nov Total Vehicle Sales (ml)		15.4M	15.3M
Wednesday, Dec 03				
7:00AM	Nov/28 Mortgage Market Index			317.6
7:00AM	Nov/28 MBA Refi Index			1090.4
7:00AM	Nov/28 MBA Purchase Index			181.6
8:15AM	Nov ADP jobs (k) ☆		5K	42K
8:30AM	Sep Import prices mm (%)		0.1%	0.3%
8:30AM	Sep Export prices mm (%)		0.1%	0.3%
9:15AM	Sep Industrial Production (%) ☆		0%	0.1%
9:45AM	Nov S&P Global Services PMI ☆		55.0	54.8
9:45AM	Nov S&P Global Composite PMI ☆		54.8	54.6
10:00AM	Nov ISM N-Mfg PMI ★★		52.1	52.4
10:00AM	Nov ISM Services New Orders ☆			56.2
10:00AM	Nov ISM Services Prices ☆			70.0
10:00AM	Nov ISM Biz Activity ☆			54.3
10:00AM	Nov ISM Services Employment ☆			48.2
10:30AM	Nov/28 Crude Oil Inventory (ml)			2.774M

Recent Housing News

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- [Small Steps Higher, Same Stubbornly Low Territory for Existing Home Sales](#)
- [Rising Rates Pull Applications Lower, but Year-Over-Year Gains Hold Firm](#)

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Jobs Report and Stock Losses Help Rates Hold The Range

This week marked the return of delayed economic data from the government shutdown. Specifically, we received the important jobs report that was set to come out in early October. While this is September's data, and thus a bit stale, it was nonetheless responsible for the biggest volume spike in the bond market since the last Fed meeting. Such is the power of the jobs report relative to other econom...

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