

MARKET SUMMARY

Complete Recap of Today's Market Activity

Wednesday is All About Dot Plot and Powell

Market Summary: Tuesday, December 9, 2025 - 11:31PM

Bonds lost ground moderately and logically on Tuesday in response to the JOLTS data. From here, this week's volatility potential hinges on the Fed. Fed Funds Futures suggest that there's been no change in rate cut prospects for Wednesday's meeting. It remains a nearly a 90% probability and thus a non-event when the cut is announced. The more important events will be the 2pm ET release of the dot plot (individual Fed member forecasts for the Fed Funds Rate) and the 2:30pm press conference with Fed Chair Powell. While it may be fashionable to hold the cynical view that Powell's pressers "always" hurt rates, that's certainly not the case and we have no way to know if it will be the case on Wednesday. At the very least, the bearish set-up over the past 2 weeks should tell you that anything can happen (considering Fed rate cut days have often pushed back against the prevailing trend in rates).

Market Movement Recap

- 10:50 AM Sideways to slightly stronger overnight, but now weaker after JOLTS data. MBS down an eighth and 10yr up 1.5bps at 4.178
- 02:10 PM Weakest levels. MBS down 6 ticks (.19) and 10yr up 2.2bps at 4.185
- 04:17 PM Drifting out at weakest levels. MBS down 7 ticks (.22) and 10yr up 2.2bps at 4.185

Latest Video Analysis



All About Dot Plot and Powell



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UMBS 5.0	99.12	+0.05	10YR	4.182%	-0.004%	12/9/2025 11:30PM EST
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Job Openings Data Causing Weakness in Bonds

Tuesday is a fairly straightforward session for the bond market. By now, we assume most of the pre-Fed positioning would be out of the way, and we know there was a decent amount of anticipation for the JOLTS data (job openings and labor turnover survey). True to form, volume spiked to its highest levels since the 11/20 delayed release of the jobs report. Unfortunately for bonds, job openings came in higher. The saving grace is that the "quits" rate fell to the lowest levels of the cycle (lower quits = good for rates, all else equal). The net effect is still a sell-off in bonds, but not as forceful a sell-off as it could have been without the mixed signals.

ALERT: Losing Some Ground After JOLTS

MBS MORNING: Yields Testing Range Ceiling Ahead of Auctions, Data, And The Fed

Today's Mortgage Rates

30YR Fixed	6.35%	-0.01%	15YR Fixed	5.79%	-0.01%	12/9/2025
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Can The Fed Pull Mortgage Rates Off The Ceiling?

were surprisingly steady on Tuesday with most lenders roughly in line with Monday's levels. Why surprising? Because the bond market was noticeably weaker and bonds dictate day to day mortgage rate movement.

In Tuesday's case, we can actually reconcile the steadiness with the timing of bond market movement. Specifically, bonds didn't lose ground until after the 10am release of the Job Openings data from the Bureau of Labor Statistics. Most mortgage lenders consider bond market levels before 10am when setting rates for the day.

The implication is that if bonds are at the same levels tomorrow morning, the average lender would set rates higher.

Tomorrow afternoon brings another potential source of volatility in the form of the latest Fed announcement. The most important thing to understand about tomorrow's probably Fed rate cut is that it is NOT a mortgage rate cut. In fact, mortgage rates have been more likely to move higher following recent Fed cuts.

Even then, the cut itself is not the news the market is waiting for. Rather, traders are interested to see each Fed member's rate outlook via the quarterly release of the Fed's economic projections. In addition, every Fed meeting includes a press conference with the Fed Chair and bonds have often made the biggest moves in response.

Bottom line: the rate cut means nothing for mortgage rates. Volatility will come from the 2pm ET dot plot (the chart that shows each Fed members' rate outlook) and the 2:30pm press conference.

Time	Event	Actual	Forecast	Prior
Tuesday, Dec 09				
6:00AM	Nov NFIB Business Optimism Index	99.0	98.4	98.2
8:15AM	ADP Employment Change Weekly ★★	4.75K		-13.5K
10:00AM	Sep CB Leading Index MoM (%)	-0.3%	-0.3%	-0.5%
10:00AM	Sep USA JOLTS Job Openings (ml) ★	7.658M	7.2M	7.227M
10:00AM	Sep JOLTS Job Quits (ml) ☆	3.128M		3.091M
10:00AM	Oct USA JOLTS Job Openings (ml) ★	7.670M		7.658M
10:00AM	Oct JOLTS Job Quits (ml) ☆	2.941M		3.128M
11:30AM	6-Week Bill Auction (%)	3.650%		3.700%
12:00PM	WASDE Report (%)			
12:00PM	WASDE Report (%)			
12:00PM	WASDE Report (%)			
1:00PM	10-yr Note Auction (bl) ★	39		
Wednesday, Dec 10				
12:00AM	Roll Date - UMBS 30YR			
7:00AM	Dec/05 MBA Refi Index			1041.9
7:00AM	Dec/05 MBA Purchase Index			186.1
7:00AM	Dec/05 Mortgage Market Index			313.0
8:30AM	Sep Wholesale inventories (o (%)) ☆		-0.2%	0%
8:30AM	Q3 Employment costs (%) ★		0.9%	0.9%
10:30AM	Dec/05 Crude Oil Inventory (ml)		-1.2M	0.574M
2:00PM	Nov Federal budget (bl)		\$-205B	\$-284B
2:00PM	Fed Interest Rate Decision ★★		3.75%	4.0%
2:00PM	FOMC Economic Projections ★★			
2:00PM	Interest Rate Projection - 1st Yr			3.4%
2:00PM	Interest Rate Projection - 2nd Yr			3.1%
2:00PM	Interest Rate Projection - 3rd Yr			3.1%
2:00PM	Interest Rate Projection - Longer			3%
2:00PM	Interest Rate Projection - Current			3.6%
2:30PM	Fed Press Conference ★★			

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Are Rates About to Make a Move Because of The Fed?

December 10th will be the most interesting Fed announcement in more than a year. It's the first time since mid-2024 where a rate cut (or lack thereof) has not been a foregone conclusion. This means the Fed has a chance, albeit a small one, to surprise the market. The market currently sees a better-than-85% chance of a cut at next week's meeting according to Fed Funds Futures (contra...

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