

Complete Recap of Today's Market Activity

Market Summary: Friday, December 12, 2025 - 3:30PM

Latest Video Analysis



Two Way Trading But No Major Change On The Day



THE RATE UPDATE

Don Frio is a Mortgage Lender Originator formerly registered with Peoples Bank & Trust

Since 2017

 714-776-3635
 info@danfrio.com
 danfrio.com



Dan Frio
NMLS 246527



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MBS & Treasury Markets

UMBS 5.0	99.25	-0.13	10YR	4.183%	+0.026%	12/12/2025 5:00PM EST
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Choose Your Own Market Movement Adventure.

There's a noticeable divergence between long and short term bonds since the Fed announcement, and it's becoming more pronounced today. We can consider a few different reasons with the most basic being that the Fed rate cut outlook keeps shorter-term yields locked down at lower levels thus forcing the long end of the curve to absorb more of the selling impulse on selling days. As far as 2yr yields are concerned, it's not even really a selling day (they're currently DOWN microscopically). Meanwhile, 10yr yields are almost 4bps higher.

We can also consider an underlying concern among traders that was encapsulated in a comment this morning from Fed's Goolsbee, who said there was little to suggest the labor market was decaying fast enough to warrant this week's rate cut, especially in the absence of more timely econ data. The tacit conclusion is that if next Tuesday's jobs report is strong, markets will increasingly feel like the Fed just made a mistake. Last but not least, the least stressful thesis is that 2025 ended on Fed day and everything we see between now and the 2nd week of January is noise. Choose your own adventure.

ALERT: Down More Than an Eighth From Highs

MBS MORNING: Follow-Through Rally. What's Up With Big Swings in Jobless Claims?

Today's Mortgage Rates

30YR Fixed	6.32%	+0.06%	15YR Fixed	5.77%	+0.01%	12/12/2025
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Mortgage Rates Hit Lowest Levels of The Week

As is sometimes the case on the day following a Fed day, the bond market carried a bit more momentum in the same direction as yesterday afternoon. Fortunately, the momentum was toward lower rates this time around--a nice break from the past two Fed days which resulted in several days (and weeks) of higher rates.

This leaves the average lender roughly in the middle of the range over the past 3 months. These are also the lowest levels seen since last Thursday for the average lender.

Time	Event	Actual	Forecast	Prior
Friday, Dec 12				
8:00AM	Fed Paulson Speech ☆			
8:30AM	Fed Hammack Speech ☆			
10:35AM	Fed Goolsbee Speech ☆			
Monday, Dec 15				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
8:30AM	Dec NY Fed Manufacturing ☆		10.6	18.70
9:30AM	Fed Miran Speech ☆			
10:00AM	Dec NAHB housing market indx ☆		39	38
10:30AM	Fed Williams Speech ☆			
12:00PM	NOPA Crush Report (%)			

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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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