

MARKET SUMMARY

Complete Recap of Today's Market Activity

Unemployment Not High Enough For a Full-Fledged Rally

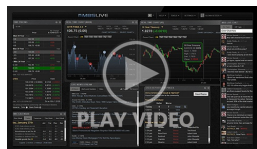
Market Summary: Tuesday, December 16, 2025 - 10:53PM

If the only metric from this morning's jobs report was the uptick in unemployment from 4.4 to 4.6%, and if that was the last of this week's big ticket econ data, it wouldn't be a surprise to see a more aggressive rate rally. As it stands, unemployment was tempered by a higher participation rate and less dire unrounded numbers (taken together, these actually made unemployment closer to unchanged). Add in stronger payroll growth, a surge in core retail sales, and the need to wait and see how Thursday's CPI comes out, and the choppy, lackluster rally is easier to reconcile.

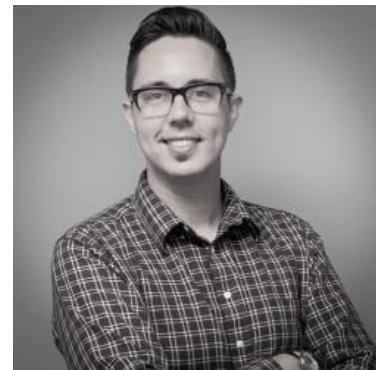
Market Movement Recap

08:36 AM	Modestly stronger after jobs report. MBS up almost an eighth and 10yr down 1.1bps at 4.165
09:27 AM	Paradoxically modestly weaker now with MBS unchanged and 10yr up 1.3bps at 4.191
12:56 PM	Back near best levels of the day. MBS up 5 ticks (.16) and 10yr down 2.1bps at 4.156
02:28 PM	Leveling off at only modestly stronger levels. MBS up an eighth and 10yr still down 2.1 ticks at 4.156

Latest Video Analysis



Unemployment Not High Enough For a Full-Fledged Rally



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TRUE NORTH
LENDING



UMBS 5.0	99.44	-0.09	10YR	4.161%	+0.020%	12/16/2025 10:52PM EST
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Frustratingly Flat After Deceptively Friendly Jobs Report

If there was one metric in this morning's data that should be helping the bond market, it's the uptick in the unemployment rate from 4.4% in September to 4.6% in November (a new cycle high). This is mitigated somewhat by the uptick in participation rate (0.1%) and the slightly higher payroll count (64k vs 50k f'cast). In addition, BLS noted lower response rates for the household survey (unemployment rate) and a generally unknown impact from the government shutdown. Perhaps important is the fact that the unrounded unemployment rate only rose 0.13% versus the 0.2% rounded figure. Bond market volume has been predictably stratospheric, but the movement has been frustratingly flat. All in all, the jobs data simply confirms exactly what the Fed has been saying: modest ongoing weakness in labor market, but nothing catastrophic. It leaves room to focus on Thursday's CPI as policy-setting counterpoint.

- UPDATE: First Move is Stronger After Jobs Report
- ALERT: MBS Down an Eighth From Highs

Today's Mortgage Rates

30YR Fixed 6.27% -0.02%

15YR Fixed 5.75% -0.01%

12/16/2025

Mortgage Rates Only Slightly Lower, But Volatility Risks Remain

There was a decent chance that rates would have made a fairly big move today in response to the release of November's jobs report. This is the most important economic data as far as rates are concerned and today's was the first full release since before the government shutdown.

In general, weaker employment data promotes lower rates and vice versa. While today's jobs report was weaker on balance, it wasn't weak enough to unequivocally shift the narrative of a labor market that is merely cooling in a gradual and manageable way.

The average lender moved back down to levels that were close to those seen last Thursday. In the bigger picture, rates are in a consolidation pattern inside the same relatively narrow range seen since early September.

MND 30yr Fixed Mortgage Rate Index



Volatility remains a risk as the week progresses. If there's one additional report the market may be waiting to see before trading today's jobs report more aggressively, it's this Thursday's Consumer Price Index (CPI). This is the heaviest hitting monthly inflation report and inflation is the other half of the Fed's rate-setting equation.

Time	Event	Actual	Forecast	Prior
Tuesday, Dec 16				
8:15AM	ADP Employment Change Weekly ★★	16.25K		4.75K
8:30AM	Nov Participation Rate ☆	62.5%		62.4%
8:30AM	Oct Average earnings mm (%) ★	0.4%	0.3%	0.2%
8:30AM	Nov Average earnings mm (%) ★	0.1%	0.3%	0.4%
8:30AM	Oct Retail Sales (%) ★★	0%	0.1%	0.2%
8:30AM	Oct Retail Sales Control Group MoM ★★	0.8%	0.4%	-0.1%
8:30AM	Oct Non Farm Payrolls (k) ★★	-105K	51K	119K
8:30AM	Nov Non Farm Payrolls (k) ★★	64K	50K	-105K
8:30AM	Nov Unemployment rate mm (%) ★★	4.6%	4.4%	4.4%
9:45AM	Dec S&P Global Composite PMI ☆	53.0		54.2
9:45AM	Dec S&P Global Manuf. PMI ☆	51.8	52	52.2
9:45AM	Dec S&P Global Services PMI ☆	52.9	54	54.1
10:00AM	Sep Business Inventories (%) ☆	0.2%	0.2%	0%
7:00PM	International Monetary Market (IMM) Date (%)			
Wednesday, Dec 17				
12:00AM	Roll Date - Ginnie Mae 30YR			
7:00AM	Dec/12 MBA Purchase Index			181.6
7:00AM	Dec/12 MBA Refi Index			1190.6
7:00AM	Dec/12 Mortgage Market Index			327.9
8:15AM	Fed Waller Speech ☆			
9:05AM	Fed Williams Speech ☆			
10:30AM	Dec/12 Crude Oil Inventory (ml)		-2.4M	-1.812M
12:30PM	Fed Bostic Speech ☆			
1:00PM	20-Yr Bond Auction (bl)	13		

Recent Housing News

- Mortgage Apps Bounce Back, Led By Refi Reversal
- Mortgage Apps Ebb Despite Strongest Purchase Demand in Years
- Conforming Loan Limit Rises to \$832,750 Amid Lowest Home Price Growth Since 2012

Once Again, Fed Rate Cut Was Meaningless For Mortgage Rates

Friends don't let friends believe the myth that Fed rate cuts result in lower mortgage rates. If you'd rather not immerse yourself in the "why," here is a solid "what:" This isn't an anomaly. The Fed Funds Rate governs loans that last less than 24 hours whereas a mortgage can last 30 years. Loans of different durations frequently see their interest rates walk vastly different path...

Mortgage Calculators

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