

MARKET SUMMARY

Complete Recap of Today's Market Activity

Slightly Weaker. No, It's Not Japan

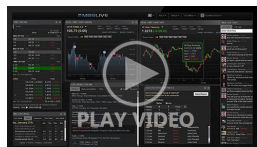
Market Summary: Friday, December 19, 2025 - 10:21AM

There was a fair amount of momentum among financial news sources regarding the potential significance of last night's Bank of Japan (BOJ) announcement to the U.S. bond market. While it was clearly relevant for Japan, it's hard to make the case that it had any impact on overnight Treasury trading. It's always worth remembering that Japan's biggest impacts on the U.S. bond market are driven by the Ministry of Finance (MOF) and not the BOJ. In any event, today's chart shows the relative movement in USD/Yen (the easiest place to see BOJ impacts) and Treasuries. 10yr yields were perfectly flat for an hour after the initial announcement. More strikingly, yields were a hair lower from 1:30am to 3:00am when \$/Y was surging during the press conference.

Market Movement Recap

10:12 AM Sideways at modestly weaker levels. MBS down 2 ticks (.06) and 10yr up 2.1bps at 4.143

Latest Video Analysis



Limited Follow-Through After Shockingly Big Miss



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MBS & Treasury Markets

UMBS 5.0	99.65	-0.08	10YR	4.142%	+0.021%	12/19/2025 10:20AM EST
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(NOTE: the y-axes of the chart were set based on the highs and lows of the previous day in order to highlight the BOJ impact)

MBS MORNING: Big Drop in Annual CPI, But Only a Cautious Rally So Far

UPDATE: MBS Nearly an Eighth Off Best Levels

Today's Mortgage Rates

30YR Fixed	6.22%	-0.05%	15YR Fixed	5.74%	-0.02%	12/18/2025
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Mortgage Rates Near Lowest Levels Since October

Officially, there were 2 days at the end of November where the average lender's 30yr fixed rates were just a hair lower (0.02% difference). Otherwise, today's rates would be the lowest since late October.

The improvement follows this morning's release of November's Consumer Price Index (CPI). Inflation was so far below expectations that it raised new questions about just how much the government shutdown impacted data collection. The market still treated it as good news for rates, but most of the improvement was already in place before the data came out.

CPI marked the last of 2025's top tier economic reports when it comes to potential impacts on rates. This doesn't mean rates won't move between now and January--only that they're far less likely to make any big changes based on economic reports.

Time	Event	Actual	Forecast	Prior
Friday, Dec 19				
9:20AM	NY Fed Bill Purchases 1 to 4 months (%)		\$8.165 million	
10:00AM	Dec Sentiment: 5y Inflation (%) ☆	3.2%	3.2%	3.4%
10:00AM	Dec U Mich conditions ☆	50.4	50.7	51.1
10:00AM	Dec Consumer Sentiment (ip) ☆	52.9	53.4	51.0
10:00AM	Dec Sentiment: 1y Inflation (%) ☆	4.2%	4.1%	4.5%
10:00AM	Nov Exist. home sales % chg (%) ☆	0.5%		1.2%
10:00AM	Nov Existing home sales (ml) ☆	4.13M	4.2M	4.1M
9:00PM	US President Trump Speech (%) ★★			
Monday, Dec 22				
9:20AM	NY Fed Bill Purchases 4 to 12 months (%)		\$6.801 million	
1:00PM	2-Yr Note Auction (bl)		69	

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

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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

- 📊 Mortgage Payment w Amortization
- 📊 Loan Comparison
- 📊 Advanced Loan Comparison
- 📊 Early Payoff
- 📊 Should I Refinance?
- 📊 Rent vs. Buy
- 📊 Blended Rate