

MARKET SUMMARY

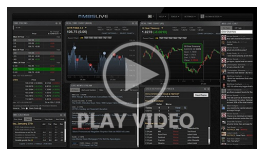
Complete Recap of Today's Market Activity

Bond Market in Holiday Mode

Market Summary: Sunday, December 21, 2025 - 7:10AM

Holiday mode is impossible to clearly define when it comes to its impact on the bond market. We know it when we see it, and we saw it today. Bonds paid no attention to econ data no matter how much it may seem that the 10am Consumer Sentiment numbers had an impact. Movement was minimal and not visibly tied to any other motivation. And as we already discussed this morning, Japan's rate hike was a non-event. Holiday trading randomness will get worse over the next 2 weeks before it improves in early January.

Latest Video Analysis



Bond Market in Holiday Mode



Cardinal Mortgage
Services

cardinal-mtg.com



MBS & Treasury Markets

UMBS 5.0	99.66	-0.07	10YR	4.145%	+0.023%	12/19/2025 5:00PM EST
----------	-------	-------	------	--------	---------	-----------------------

Slightly Weaker. No, It's Not Japan

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.

(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	6.25%	+0.03%	15YR Fixed	5.75%	+0.01%	12/19/2025
------------	-------	--------	------------	-------	--------	------------

Mortgage Rates Just Off 2-Week Lows

It ended up being a fairly uneventful day for despite scattered speculation about the impact of foreign monetary policy decisions. The average lender nudged just a hair higher, resulting in the 2nd lowest reading of the week. Apart from yesterday, the last day with lower rates was more than 2 weeks ago on December 4th.

The coming week will be heavily affected by the realities of the holiday trading environment. There's no repeatable formula for this. We simply widen the range of potential rate movement that occurs for no apparent reason. Most of the time, rates simple drift aimlessly sideways, but on certain years, there are inexplicable jumps/dips. We won't have a solid sense of where the rate market wants to be until the important economic reports start coming out in January.

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
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

- Highest Existing Home Sales in 8 Months But Don't Get Excited
- Three Straight Months of Improvement in Builder Confidence, But There's a Catch
- Mortgage Apps Still Strong vs Last Year, But Down Slightly Last Week

Read My Latest Newsletter

Mortgage Market in Holiday Mode Despite Big-Ticket Data

The two most important economic reports of the month were released this week. Both showed promising results for rates, and although rates improved, the reaction was smaller than expected . First up was November's jobs report, which came out on Tuesday morning. It showed the highest unemployment rate since 2021 at 4.6%--well above the 4.4% forecast. Under normal circumstances, this woul...

Mortgage Calculators

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