

MARKET SUMMARY

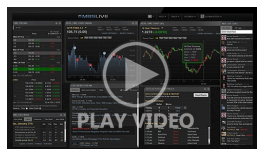
Complete Recap of Today's Market Activity

Modest Recovery From Morning Weakness

Market Summary: Wednesday, December 31, 2025 - 3:32AM

Bonds were slightly weaker this morning in a move that looked like it might have been significant when compared to yesterday's narrow range. But in a just-barely-wider context, today's volatility was just as inconsequential as almost any of the days in December so far. With that, we'll continue to count down to next week's bigger-ticket data and more robust trader participation.

Latest Video Analysis



Modest Recovery From Morning Weakness



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MBS & Treasury Markets

UMBS 5.0	99.96	+0.05	10YR	4.113%	-0.010%	12/31/2025 3:31AM EST
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Meaningless Year-End Volatility

If we turn up the magnification on our market-watching microscopes, it may seem like something important happened in the bond market overnight. 10yr yields were up by more than 3bps at one point and MBS fell just over an eighth of a point. These may seem like big swings relative to yesterday's narrow range, but this is actually a rather tame expression of year-end volatility. To understand a bit more about month/quarter/year-end trading motivations, check out . 4 trading days ago, 10yr yields hit the top of the prevailing range at 4.20. Yesterday, they were close enough to the lower end of that range (4.10). Nothing that occurs inside these boundaries is remotely significant--just noise.

MBS MORNING: Mostly Sideways Despite Some Help From Europe

ALERT: MBS Down an Eighth From Highs

Today's Mortgage Rates

30YR Fixed	6.20%	+0.01%	15YR Fixed	5.75%	+0.01%	12/30/2025
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Mortgage Rates Microscopically Higher

continue operating in an excruciatingly narrow range near their lowest levels of the past few years. Yesterday was the 6th best day of 2025. Today is tied for 7th place after rates moved 0.01% higher on average.

While the underlying bond market is fully open today, it's a slow time of year in terms of volume and volatility. Bigger movement becomes more likely by the end of next week thanks to the return of important economic reports and stronger trader participation after holiday absences.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Wednesday, Dec 31				
7:00AM	Dec/26 Mortgage Market Index			299.8
7:00AM	Dec/26 MBA Purchase Index			169.9
7:00AM	Dec/26 MBA Refi Index			1084.3
8:30AM	Dec/27 Jobless Claims (k) ☆		220K	214K
8:30AM	Dec/20 Continued Claims (k) ☆			1923K
10:30AM	Dec/26 Crude Oil Inventory (ml)		-2M	0.405M
2:00PM	New Year's Eve ★★			
Thursday, Jan 01				
12:00AM	New Years Day ★★			

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