

MARKET SUMMARY

Complete Recap of Today's Market Activity

Token Year-End Volatility

Market Summary: Wednesday, December 31, 2025 - 11:20PM

Wednesday's shortened session offered more excitement than the first two days of the week. There was a modicum of legitimate data-driven selling this morning in response to the jobless claims data. Bonds had trudged most of the way back toward unchanged levels by 1pm ET, but volatility picked up again at that point. While 2pm is the official early close, 1pm is the cut-off for many of the largest traders to close out their year-end [positions](#). This makes for a big spike in volume at that time, and it can also result in a quick jolt to prices/yields. As far as year-end jolts go, today's was pretty normal and should not be taken as a sign of any underlying predisposition in the market.

Market Movement Recap

08:34 AM	losing ground after claims data. MBS down 3 ticks (.09) and 10yr up 2.1bps at 4.144
12:11 PM	pushing back from weaker levels. MBS down only 1 tick (.03) and 10yr up 1.5bps at 4.138
01:09 PM	Some quick year-end selling pressure. MBS down an eighth and 10yr up 3.4bps at 4.158

Latest Video Analysis



Token Year-End Volatility



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UMBS 5.0	99.73	-0.18	10YR	4.169%	+0.046%	12/31/2025 5:59PM EST
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Quick Selling Pressure At Year-End Trading Cut-Off

MBS are down a quick eighth of a point from the most recent highs. Unless a lender repriced for the better at those highs, negative reprice risk is minimal and, indeed, not at all justified by this amount of movement (i.e. this is a "heads-up" alert simply to explain the jumpiness.

While the official early close is still one hour away, the cut-off time for most large traders is/was 1pm ET. There's been a typical surge of volume around that time. A quick jolt of several bps in 10yr yields is not uncommon. There is no underlying fundamental motivation. It's all a byproduct of last-moment year-end position squaring.

- MBS MORNING: A Bit of Actual Data-Driven Selling Thanks to Jobless Claims and Wonky Seasonal Adjustments
- MBS MORNING: Meaningless Year-End Volatility

Today's Mortgage Rates

30YR Fixed	6.20%	+0.00%	15YR Fixed	5.76%	+0.01%	12/31/2025
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Mortgage Rates Staying Steady to Close Out 2025

Although Freddie Mac's weekly mortgage rate survey (released today) suggested the lowest rates since October 2024, our daily numbers offer a bit more nuance. To be sure, October 28th and September 16th both saw distinctly lower rates this year.

Today's rates are right in line with yesterday's as well as last Friday's. In other words, this week is flat compared to Friday although the average rate is lower so far.

The bond market closes early today and will be fully closed tomorrow. Bonds reopen on Friday and then will be fully open for a normal week of trading next week.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Wednesday, Dec 31				
8:30AM	Dec/27 Jobless Claims (k) ☆	199K	220K	214K
8:30AM	Dec/20 Continued Claims (k) ☆	1866K		1923K
10:30AM	Dec/26 Crude Oil Inventory (ml)	-1.934M	-0.9M	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

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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...

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