

Flash Update: US RATE MARKETS – WEDNESDAY NOVEMBER 19, 2025

- UST yields and SOFR swap rates are holding steady this morning as the market awaits key economic data and tech earnings reports
- The October FOMC meeting minutes will be released this afternoon at 2:00 PM
- Market participants are concerned the meeting minutes will show a deeply divided Fed with respect to future rate cuts
- Odds for a December rate cut have dipped to ~49.1% - “cautious” Fed-speak continues to dim December rate cut hopes
- The release of key US economic data resumes tomorrow – traders will see the Sep. Employment Report at 8:30 AM. (Note: there *may* still be unforeseen delays to the data releases as we emerge from the shut-down.)
- NVIDIA releases earnings “after the bell” this afternoon – traders will be paying *very* close attention to the results
- Fears of an AI-driven tech bubble have sent equities tumbling lower, and led to a flight-to-quality into US Treasuries this week
- Should NVIDIA miss earning, rates are likely to drop as the market assesses what is next for the equity markets
- Short-end SOFR swap rates are trading down ~1 bp this morning, depending on tenor
- Long-end SOFR swap rates are currently trading down ~1 bp, depending on tenor
- The next FOMC rate decision is due on Wednesday, December 10th at 2:00 PM

SOFR swap rates and US Treasury yields are holding mostly steady this morning as the market braces for key economic-data, tech-sector earnings reports, the release of the FOMC meeting minutes and a busy schedule of Fed-speakers this week. Markets will be looking for any details on what Chairman Powell called a “growing chorus” of officials who think the Fed should pause for at least one meeting.

Rates have drifted a touch lower this week, as a tech-driven “risk-off” sentiment suddenly gripped the market. Couple that with active Fed speakers and a host of economic data releases, and you have a recipe for increased rate volatility. From my perspective, the rate and equity markets are definitely at a cross-roads.

The big events this week are the resumption of key US economic data, and the release of NVIDIA earnings later this afternoon. Given the myriad market variables at work this week, I expect an uptick in rate volatility to occur. The big data event for tomorrow is the release of the September Employment Report. Yes, the September jobs data is now “stale”, but a huge miss in expectations *either way* could impact market sentiment and spark volatility. Expectations are as follows: Change in Non-Farm payrolls: +50k; Unemployment Rate: 4.3%. *I also have to admit that I am unsure about precisely how the market will react to the release of the “back-data”. At the least, it could impact market sentiment and change the short-term outlook for rates.*

SOFR Swap Rate Summary: The **1Y** SOFR swap rate is trading ~1 bp lower this morning. **2Y** and **3Y** SOFR swap rates are currently down ~1 bp this morning. **5Y** and **10Y** SOFR swap rates are currently trading down ~1 bp. The very back-end of the swap curve is currently trading flat to last night’s closing levels.

Please note: Market levels can change rapidly – rate cap premiums are subject to a dynamic market that can change frequently.

CHART 1: US RATES SNAPSHOT: 10:00 AM Eastern

****For SOFR Swap Rates & Change-On-Day (In Bps): Refer Two Far Right Columns (SOFR Swap Rates)***

UST YIELDS

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SWAP SPREADS

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SOFR SWAP

RATES

2Y	3.564	-0.008	-22.1275	+0.2005	3.3448	-0.0063
3Y	3.561	-0.005	-25.4808	+0.2492	3.3071	-0.0050
4Y	3.627	-0.009	-29.4970	+0.3280	3.3262	-0.0028
5Y	3.679	-0.005	-31.1040	+0.3960	3.3687	-0.0017
7Y	3.869	-0.002	-38.0865	+0.2835	3.4883	-0.0014
10Y	4.110	-0.004	-44.0000	+0.2500	3.6699	-0.0011
20Y	4.699	+0.000	-68.7940	+0.4110	4.0116	+0.0025
30Y	4.734	+0.001	-73.8334	+0.4166	3.9954	+0.0046

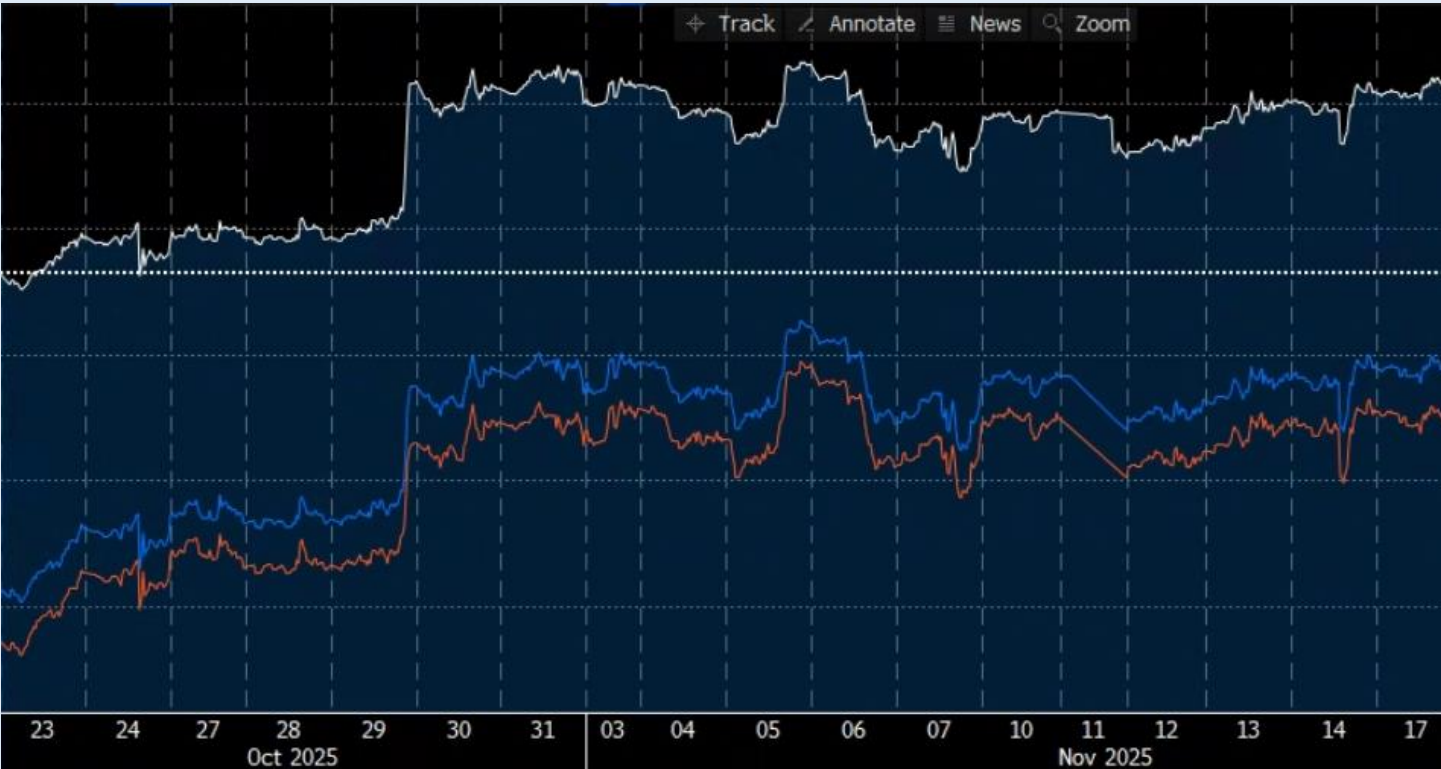
Source: Bloomberg, LLP | 10:00 AM NY Rates Snapshot

CHART 2 & 2A: RATES MOSTLY STEADY AS MARKET BRACES FOR KEY ECONOMIC DATA AND TECH EARNINGS REPORTS

SOFR swap rates are holding relatively steady this morning. For the week, SOFR swap rates are down ~5 bps, but are still trading firmly within the recent trading range (~10 bps). I do anticipate an uptick in rate volatility over the next couple of weeks as the economic data begins to flow and traders assess the state of the US economy and path forward for interest rates.

Currently, SOFR swap rates are down ~1 bp across the swap curve. The odds for a December rate cut have dropped to under 50%. Overall, swap rates remain range bound. Despite pockets of volatility, SOFR swap rates have been holding in a 10 basis point trading range since the beginning of November – that could definitely change this week!

CHART 2: Short-End SOFR Swap Rates – Prior 30 Days



Source: Bloomberg, LLP | 1Y (white), 2Y (blue) & 3Y (orange) SOFR SWAP RATES, PRIOR 30 DAYS

CHART 2A: Long-End SOFR Swap Rates – Prior 30 Days



Source: Bloomberg, LLP | 5Y (green), 7Y (purple) & 10Y (light blue) SOFR SWAP RATES, PRIOR 30 DAYS

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