MARKET SUMMARY
Complete Recap of Today's Market Activity

Stronger Start Thanks to Europe and ADP

Market Summary: Wednesday, January 7, 2026 - 8:45AM

Bonds rallied steadily overnight with more of the gains aligning with a data-driven bond rally in Europe. The overnight move brought 10yr yields roughly 2bps lower from yesterday's close. Another 2bps of improvement followed this morning's ADP employment data. ADP's job count wasn't particularly far below forecasts (41k vs 47k), but the previous month wasn't revised much higher (-29k vs -32k initially). At 10am ET, we'll get Job Openings and ISM Non-Manufacturing--a combo that is arguably heavier hitting than ADP, if the results are not right in line with forecasts.

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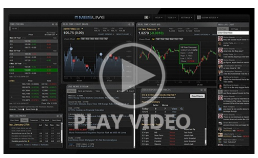
Latest Video Analysis



Flat Ending After Early Head Fake

MBS & Treasury Markets

UMBS 5.0	99.84	+0.06	10YR	4.150%	-0.015%	1/7/2026 5:00PM EST

Weakest Levels and Some Reprice Risk

Bonds have been selling a bit quicker in the past hour as Trump talks about increased defense spending (Treasury issuance implications).

10yr yields are still in the range, but up 2.7bps at 4.19.

MBS are down 5 ticks (.16) on the day and an eighth of a point from many lenders' rate sheet print times. Jumpier lenders could be considering reprices.

MBS MORNING: Volume is Back. Still Waiting on Volatility

MBS MORNING: Bonds Are Back in The Office

Today's Mortgage Rates

30YR Fixed	6.19%	-0.01%	15YR Fixed	5.73%	-0.01%	1/7/2026

Mortgage Rates Barely Budge, But Volatility Risk is Increasing

have been effectively unchanged for 5 straight days now. During that time, the MND 30yr fixed rate index hasn't moved by more than 0.01%. The average borrower would see almost exactly the same terms on any of these days.

The absence of volatility isn't much of a surprise given the time of year and the lack of important economic data. But that changes tomorrow with the release of two labor market reports and ISM's service sector report.

Individually, none of these are as heavy hitting as Friday's forthcoming jobs report, but if they all sing a similar tune, it could definitely get rates moving (for better or worse). Specifically, if the data is stronger, it would likely push rates higher and vice versa.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Wednesday, Jan 07				
7:00AM	Dec/26 Mortgage Market Index	269.9		299.8
7:00AM	Dec/26 MBA Purchase Index	169.8		169.9
7:00AM	Dec/26 MBA Refi Index	872.1		1084.3
7:00AM	Jan/02 MBA Refi Index	937		872.1
7:00AM	Jan/02 MBA Purchase Index	159.3		169.8
7:00AM	Jan/02 Mortgage Market Index	270.8		269.9
8:15AM	Dec ADP jobs (k) ☆	41K	47K	-32K
10:00AM	Oct Factory orders mm (%)	-1.3%	-1.2%	0.2%
10:00AM	Dec ISM Biz Activity ☆	56.0		54.5
10:00AM	Dec ISM Services Prices ☆	64.3		65.4
10:00AM	Dec ISM Services New Orders ☆	57.9		52.9
10:00AM	Dec ISM Services Employment ☆	52.0		48.9
10:00AM	Nov JOLTs Job Quits (ml) ☆	3.161M		2.941M
10:00AM	Nov USA JOLTS Job Openings (ml) ★	7.146M	7.60M	7.670M
10:00AM	Dec ISM N-Mfg PMI ★★	54.4	52.3	52.6
10:30AM	Jan/02 Crude Oil Inventory (ml)	-3.831M	1.1M	-1.934M
Thursday, Jan 08				
5:30AM	Dec Challenger layoffs (k)	35.553K		71.321K
8:30AM	Oct Trade Gap (bl)	$-29.4B	$-58.9B	$-52.8B
8:30AM	Jan/03 Jobless Claims (k) ☆	208K	210K	199K
8:30AM	Dec/27 Continued Claims (k) ☆	1914K	1900K	1866K
9:20AM	NY Fed Bill Purchases 1 to 4 months (%)		$8.165 million	
11:00AM	Dec Consumer Inflation Expectations ☆	3.4%		3.2%
3:00PM	Nov Consumer credit (bl)	$4.23B	$10B	$9.18B

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