

MARKET SUMMARY

Complete Recap of Today's Market Activity

Surprisingly Big Bond Rally Relative to The Data

Market Summary: Thursday, February 5, 2026 - 3:41PM

Bonds went on a bit of a buying spree on Thursday. It was the biggest rally day since November, at least, and that's impressive given the motivations. Specifically, there was a trifecta of downbeat labor market reports (Challenger, Jobless Claims, and Job Openings). Individually, none of these are worth a third of the move we saw today, but the whole was greater than the sum of its parts. There's also a 4th report being traded today: next week's big jobs report. In other words, between yesterday's ISM employment numbers and today's reports, traders are taking a cautious lead-off ahead of the big jobs report. This raises the stakes for volatility next Wednesday morning.

Market Movement Recap

- 08:32 AM Modestly stronger overnight with additional gains after AM data. MBS up almost an eighth and 10yr down 4bps at 4.24
- 10:06 AM Additional gains after JOLTS data with 10yr down 5 bps at 4.228 and MBS up 5 ticks (.16).
- 01:09 PM Best levels of the day. MBS up a quarter point and 10yr down 7.1bps at 4.207

Latest Video Analysis



Secret Econ Data Adding to The Rally



Dan Clifton

The Home Loan Guru,
Clifton Mortgage Solutions

CliftonMortgageSolutions.com

P: (888) 681-0777

M: (407) 252-3039

dan@cliftonmortgagesolutions.com

1177 Louisiana Ave
Winter Park FL 32789

NMLS #284174



UMBS 5.0	99.71	-0.01	10YR	4.199%	-0.079%	2/5/2026 3:40PM EST
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Stronger Start Thanks to Employment Data

Bonds were incidentally and inconsequentially stronger to start the overnight session, but began to see better gains after 7am ET. There were two notable bumps in volume after the 7:30am Challenger job cut data and the 8:30am Jobless Claims data. Of the two, the latter was much more clearly linked to gains. Challenger definitely got a small volume bump, but it's hard to say that the gains weren't already in progress when it came out. The morning's labor market data will be rounded out by the report with the biggest potential (emphasis on "potential") reaction: Job Openings at 10am ET.

- ALERT: MBS Down an Eighth From Highs
- MBS MORNING: Waiting on ISM Services as Early Data Fails to Inspire

Today's Mortgage Rates

30YR Fixed	6.17%	-0.03%	15YR Fixed	5.75%	-0.01%	2/5/2026
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Mortgage Rates Fall After Downbeat Employment Data

are driven by bonds and that bonds care about employment data. There are quite a few different economic reports that focus on various employment metrics. Next Wednesday's jobs report is the biggest ticket by far, but other reports can move the needle at times--especially when they fall far from forecasts or previous readings.

This was the case with three separate reports today. One of them almost never gets covered in the news, but it showed planned layoffs at large firms were the third highest since 2020. The second was the weekly jobless claims report, which finally ticked up to slightly higher levels after coming in lower than average over the past few weeks.

Garnering the biggest reaction was the Job Openings data for December, which showed the lowest levels since September 2020--much lower than forecast for today.

The bond market was surprisingly willing to respond. There was even a noticeable shift in Fed rate cut expectations (not that this should be confused for anything that impacts mortgage rates!). The average lender moved back to the lowest levels of the week after spending the last 2 days at 2-week highs. Caveat: the 2 week range is very narrow (6.15-6.20).

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Thursday, Feb 05				
7:30AM	Jan Challenger layoffs (k)	108.435K		35.553K
8:30AM	Jan/31 Jobless Claims (k) ☆	231K	212K	209K
8:30AM	Jan/24 Continued Claims (k) ☆	1844K	1850K	1827K
10:00AM	Dec USA JOLTS Job Openings (ml) ★	6.542M	7.2M	7.146M
10:00AM	Dec JOLTS Job Quits (ml) ★	3.204M		3.161M
10:50AM	Fed Bostic Speech ☆			
Friday, Feb 06				
10:00AM	Feb Sentiment: 1y Inflation (%) ☆			4%
10:00AM	Feb U Mich conditions ☆		54.9	55.4
10:00AM	Feb Sentiment: 5y Inflation (%) ☆			3.3%
10:00AM	Feb Consumer Sentiment (ip) ☆		55	56.4
12:00PM	Fed Jefferson Speech ☆			
3:00PM	Dec Consumer credit (bl)		\$8B	\$4.23B

Recent Housing News

- November Was Best Month of Home Price Appreciation in More Than a Year
- Logical Pull-Back in Mortgage Apps as Rates Rebound
- Unsurprising Surge in Refi Demand Pushes Mortgage Apps Past 3 Year High

Read My Latest Newsletter

Best Month For Home Price Gains in Over a Year, But Context Matters

This week's newsletter is all about context when it comes to economic data and market movement. One point of view may provide a clear takeaway while zooming out completely changes the picture. Let's start with an easy one. The early January mortgage rate rally led to an obvious surge in refinance applications. Taken together with the mini refi boom in September 2025, things look pretty ac...

Mortgage Calculators

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