

MARKET SUMMARY

Complete Recap of Today's Market Activity

Big Bad Day For Bonds. What's Next?

Market Summary: Monday, March 2, 2026 - 4:41PM

Bonds sold off early and aggressively on Monday in a move that most onlookers are quickly attributing to geopolitics. Specifically, the thought is that higher oil prices imply higher inflation and, thus, higher rates. While some traders probably woke up and decided to sell bonds based on this logic, they didn't account for the pace of the sell-off. Rather, it was a perfect storm of timing and **technicals** with Friday's month-end positioning leaving bonds overbought and well through the 4% technical floor. Today ran the risk of being a selling day anyway, but the obvious goal of re-entering the 4%+ range made it that much more swift. Closing out at 4.04% doesn't seem too bad in the bigger picture. It's a hard reset in the short term, but not necessarily a sign of additional momentum. For that, this week's econ data would need to gang up and send a bullish message for the economy.

Market Movement Recap

- 09:08 AM Mostly flat overnight with sharper selling starting at 7am. 10yr up 5.9bps at 4.009 and MBS down just over a quarter point.
- 10:04 AM a bit more weakness after ISM data. MBS down 10 ticks (.31) and 10yr up 8.8bps at 4.036
- 11:40 AM New lows with MBS down 3/8ths and 10yr up 10.3bps at 4.051
- 03:30 PM MBS still down 3/8ths and 10yr up 9.9bps at 4.046

Latest Video Analysis



Big Bad Day For Bonds



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UMBS 5.0 100.14 -0.35	10YR 3.973% +0.024%	3/2/2026 4:40PM EST
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Down an Eighth From AM Highs

Selling has been steady, and there are no new market movers causing additional selling, but the gradual decline now brings 5.0 UMBS down an eighth of a point from AM highs. Those highs coincided with some lenders' rate sheet print times. Technically, this is the threshold scenario for negative reprice risk, but most lenders tend to price more conservatively on a day like today (which could limit some of the reprice risk we'd typically see in this situation).

MBS MORNING: March Starts Sharply Weaker. Is it Iran?

MBS MORNING: Starting Out Under 4.0% Despite Hotter PPI

Today's Mortgage Rates

30YR Fixed 6.12% +0.13%	15YR Fixed 5.68% +0.08%	3/2/2026
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Mortgage Rates Jump Back Into The 6's

began the new week with a fairly quick jump back into the low 6% range (top tier 30yr fixed rate for the average lender). With the news cycle very focused on developments in Iran, most coverage attempts to correlate geopolitical events with market movement.

The only legitimate way to do this would be to say that upward pressure on oil prices is translating to higher inflation implications and therefore higher rates. At many times in the past, this would be a solid conclusion. To some small extent, a case could even be made for this correlation accounting for a portion of today's weakness.

But most of the big, directional moves in oil prices over the past 2 days have failed to correlated with big moves in the bond market. Even when we zoom out to wider frames of reference, we see counterintuitive developments over the past several years. When oil peaked around \$120/bbl in 2022, 10yr Treasury yields were around 3%. When oil fell sharply into 2023, bond yields continued moving up and have held flat for the last few years even as oil gently declined.



Nonetheless, there are also pockets of correlation where we can see the two lines moving in the same direction. The only problem with that is that oil and rates can both respond to a third variable: economic strength. On that note, this week's economic data may be just as big of an influence on rate momentum while geopolitical developments represent a wild card that can create a backdrop of volatility.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Monday, Mar 02				
9:45AM	Feb S&P Global Manuf. PMI ☆	51.6	51.2	52.4
10:00AM	Feb ISM Manufacturing Employment	48.8		48.1
10:00AM	Feb ISM Mfg Prices Paid ★	70.5	59.5	59.0
10:00AM	Feb ISM Manufacturing PMI ★★	52.4	51.8	52.6
Tuesday, Mar 03				
9:55AM	Fed Williams Speech ☆			
10:10AM	Mar IBD economic optimism		50.1	48.8
11:55AM	Fed Kashkari Speech ☆			

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- [Home Prices Still Rising, But Pace Remains Subdued](#)
- [New Home Sales Remain Near Recent Highs](#)

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Mortgage Rates Set an Interesting Record This Week

Mortgage rates finished the week at their lowest levels since August 2022. In outright terms, this is far from the record lows, but rates set another kind of record. Volatility is a common negative side effect associated with rates hitting multi-year lows. For example, back on January 9th, the MND rate index briefly hit 5.99% before bouncing back to 6.06% later that same day, and 6.21...

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