

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Heavy Overnight Selling But Inflation Narrative Remains in Doubt

Market Summary: Tuesday, March 3, 2026 - 10:42AM

Bonds sold off again overnight with 10yr yields now challenging the 4.10% technical level in early trading. MBS are down another 3/8ths, roughly. And there's stronger correlation with higher oil prices and rising bond yields. So in light of our contrarian take yesterday, are we now forced to acquiesce to the "higher inflation/higher rates" narrative? Not entirely. While there's no doubt that a certain contingent of smaller traders are drawing that conclusion, and while there's better evidence for it in some of today's charts, there remains a problematic reality in an even simpler chart. There's a tradeable security that measures market-based inflation expectations and it has shown almost no uptick in the past 2 days. Smart analysts are calling out this oddity. Unfortunately, it doesn't do anything to help us explain the scope of the sell-off, but we strongly suspect Treasury issuance implications are a factor as they relate to military spending. Lastly, if we look at shorter-term TIPS, we can see slightly more inflation concern, but not enough to say "this is the main reason bonds are selling." That has us thinking about things like issuance implications from increased military spending.

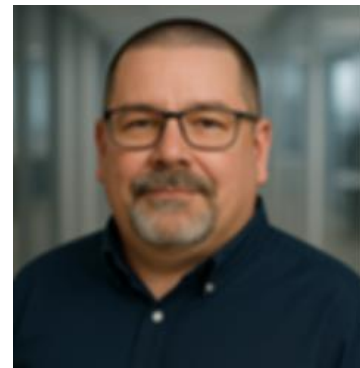
### Market Movement Recap

08:48 AM Another overnight session with heavy selling. 10yr up 6.4bps at 4.099 and MBS down 9 ticks (.28).

### Latest Video Analysis



Big Bad Day For Bonds



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## MBS & Treasury Markets

|          |       |       |      |        |         |                      |
|----------|-------|-------|------|--------|---------|----------------------|
| UMBS 5.0 | 99.93 | -0.23 | 10YR | 4.072% | +0.036% | 3/3/2026 10:41AM EST |
|----------|-------|-------|------|--------|---------|----------------------|

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Here are the charts showing how yesterday's correlations have reversed course today for stocks/bonds and oil/bonds.

Last but not least, this chart shows today's much more noticeable uptick in the implied Fed Funds Rate for the June meeting. In other words, rate cut odds evaporated more quickly today (although they have bounced back a bit since 6:30am ET).

**ALERT:** Down an Eighth From AM Highs

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

## Today's Mortgage Rates

|            |       |        |            |       |        |          |
|------------|-------|--------|------------|-------|--------|----------|
| 30YR Fixed | 6.13% | +0.01% | 15YR Fixed | 5.72% | +0.04% | 3/3/2026 |
|------------|-------|--------|------------|-------|--------|----------|

### 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.

| Time              | Event                           | Actual | Forecast | Prior   |
|-------------------|---------------------------------|--------|----------|---------|
| Tuesday, Mar 03   |                                 |        |          |         |
| 9:55AM            | Fed Williams Speech ☆           |        |          |         |
| 10:10AM           | Mar IBD economic optimism       | 47.5   | 50.1     | 48.8    |
| 11:55AM           | Fed Kashkari Speech ☆           |        |          |         |
| Wednesday, Mar 04 |                                 |        |          |         |
| 7:00AM            | Feb/27 MBA Refi Index           |        |          | 1432.9  |
| 7:00AM            | Feb/27 MBA Purchase Index       |        |          | 149.7   |
| 7:00AM            | Feb/27 Mortgage Market Index    |        |          | 340.2   |
| 8:15AM            | Feb ADP jobs (k) ☆              |        | 50K      | 22K     |
| 9:45AM            | Feb S&P Global Composite PMI ☆  |        | 52.3     | 53      |
| 9:45AM            | Feb S&P Global Services PMI ☆   |        | 52.3     | 52.7    |
| 10:00AM           | Feb ISM Services Employment ☆   |        |          | 50.3    |
| 10:00AM           | Feb ISM Biz Activity ☆          |        |          | 57.4    |
| 10:00AM           | Feb ISM Services Prices ☆       |        |          | 66.6    |
| 10:00AM           | Feb ISM Services New Orders ☆   |        |          | 53.1    |
| 10:00AM           | Feb ISM N-Mfg PMI ★★            |        | 53.5     | 53.8    |
| 10:30AM           | Feb/27 Crude Oil Inventory (ml) |        | 2.2M     | 15.989M |
| 2:00PM            | Fed Beige Book                  |        |          |         |
| 2:00PM            | Feb Total Vehicle Sales (ml)    |        | 15.2M    | 14.9M   |

Recent Housing News

- Mortgage Demand Calm Before The Storm?
- 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...

# Mortgage Calculators

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