

MARKET SUMMARY

Complete Recap of Today's Market Activity

Weaker Start. Bonds Not Recovering With Oil So Far

Market Summary: Monday, May 4, 2026 - 3:34PM

The overnight and early domestic trading hours have brought a mix of familiar and unfamiliar patterns. Up until roughly 8:30am, we saw a very familiar correlation between oil prices and bond yields. Both spiked at 6am following reports that 2 Iranian missiles hit a U.S. warship. Those reports were subsequently denied and oil prices made a full recovery. The unfamiliar pattern involves bonds breaking ranks with oil to move noticeably higher at 9:20am. There are no obvious explanations in the news or on the data calendar. That basically leaves conjecture. Given the timing, one possibility is that traders wanted to free up cash to "play" in equities markets during peak earnings season. This could also be driven by structural shifts in response to budget concerns. Either way, yields are very close to last Wednesday's highs (the highest since March 27th).

Latest Video Analysis



Some Volatility Surrounding Headlines, But Not Much Change



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MBS & Treasury Markets

UMBS 5.0 98.21 -0.49 | 10YR 4.438% +0.063% 5/4/2026 3:33PM EST

Negative Reprices Becoming More Likely

The market is actively reacting to a swath of war-related headlines that all generally speak to the notion of escalation in the Iran war. Bond yields are moving up with oil prices, but are also exhibiting some of their own negative momentum even when oil prices have plateaued.

10yr yields are up 8bps at 4.454--now breaking up and over the most recent technical ceiling at 4.42.

MBS are down 18 ticks (.56) on the day and more than a quarter point from most lenders' rate sheet print times. This makes negative reprices increasingly likely. Several lenders have already repriced.

ALERT: MBS Now Down 3/8ths on The Day

MBS MORNING: Weaker Start. Bonds Not Recovering With Oil So Far

Today's Mortgage Rates

30YR Fixed 6.56% +0.12% | 15YR Fixed 6.05% +0.04% 5/4/2026

Highest Rates in More Than a Month

Top-tier 30-year fixed rates are back above 6.5% today for the first time in more than a month for the average lender. Many lenders raised rates during the course of the day as well. Those who didn't will likely have to raise rates tomorrow unless the underlying bond market makes a significant recovery overnight.

Rates are driven by bonds and bonds are starting the week at higher yields in response to war-related developments. In general, escalation in the Iran war pushes bond yields higher by implying higher inflation via higher oil prices. Additionally, funding the war implies the need for more Treasury supply in the future as the U.S. issues debt to pay for the war. Higher supply leads to lower prices for bonds, and lower prices mean higher rates.

Today's top-tier rate of 6.56% is the highest since March 27th, when it was 6.62% and the third highest since August, 2025.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Monday, May 04				
8:00AM	Apr Total Vehicle Sales (ml)	15.9M	16.0M	16.3M
10:00AM	Mar Factory orders mm (%)	1.5%	0.5%	0%
12:50PM	Fed Williams Speech ☆			
2:00PM	Loan Officer Survey			
Tuesday, May 05				
8:00AM	Feb Building Permits (ml)			1.386M
8:00AM	Mar Building Permits (ml)			
8:30AM	Mar Trade Gap (bl)		\$-60.5B	\$-57.3B
9:45AM	Apr S&P Global Services PMI ☆		51.3	49.8
9:45AM	Apr S&P Global Composite PMI ☆		52.0	50.3
10:00AM	Feb New Home Sales (ml) ☆			0.587M
10:00AM	Feb New Home Sales (%) (%)			-17.6%
10:00AM	Apr ISM N-Mfg PMI ★★		53.7	54.0
10:00AM	Apr ISM Services Employment ☆			45.2
10:00AM	Apr ISM Services Prices ☆			70.7
10:00AM	Apr ISM Biz Activity ☆			53.9
10:00AM	Apr ISM Services New Orders ☆			60.6
10:00AM	Mar New Home Sales (%) (%)			-17.6%
10:00AM	Mar JOLTs Job Quits (ml) ☆			2.974M
10:00AM	Mar USA JOLTS Job Openings (ml) ★		6.83M	6.882M
10:00AM	Mar New Home Sales (ml) ☆		0.668M	
10:00AM	Fed Bowman Speech ☆			
10:10AM	May IBD economic optimism		42	42.8
10:20AM	NY Fed Bill Purchases 1 to 4 months (%)		\$7.585 billion	
11:30AM	6-Week Bill Auction (%)			3.590%
12:30PM	Fed Barr Speech ☆			