

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Markets Hit by Glut of Escalation Headlines

Market Summary: Tuesday, May 5, 2026 - 1:44AM

Monday's trading session ended up being as simple as it was unpleasant. Bonds lost ground somewhat sharply as war-related headlines kept adding up to additional escalation. Highlights include overnight reports of Iran hitting a U.S. warship with missiles, multiple reports of UAE air defenses being activated, and damage/fire at a UAE oil export terminal. While bonds had a few moments of independence, they were broadly driven by rising oil prices associated with the aforementioned headlines.

### Latest Video Analysis



Markets Hit by Glut of Escalation Headlines

### MBS & Treasury Markets

|          |       |       |      |        |         |                     |
|----------|-------|-------|------|--------|---------|---------------------|
| UMBS 5.0 | 98.20 | -0.51 | 10YR | 4.438% | +0.063% | 5/4/2026 5:59PM 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



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## 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    |
|--------------------------|---|--------|-----------------|----------|
| <b>Tuesday, May 05</b>   |   |        |                 |          |
| 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 ☆                       |        |                 |          |
| <b>Wednesday, May 06</b> |   |        |                 |          |
| 7:00AM                   | May/01 MBA Purchase Index               |        |                 | 177.7    |
| 7:00AM                   | May/01 Mortgage Market Index            |        |                 | 298.5    |
| 7:00AM                   | May/01 MBA Refi Index                   |        |                 | 977.9    |
| 8:15AM                   | Apr ADP jobs (k) ☆                      |        | 99K             | 62K      |
| 9:30AM                   | Fed Musalem Speech ☆                    |        |                 |          |
| 10:30AM                  | May/01 Crude Oil Inventory (ml)         |        |                 | -6.233M  |
| 1:00PM                   | Fed Goolsbee Speech ☆                   |        |                 |          |
| 1:30PM                   | Fed Hammack Speech ☆                    |        |                 |          |