

MARKET SUMMARY

Complete Recap of Today's Market Activity

Pre-Market Gains Stuck Around All Day

Market Summary: Thursday, May 7, 2026 - 8:48AM

The entirety of the domestic trading session was very flat compared to the ground covered during the overnight session. Pre-market headlines regarding a potential peace deal accounted for a 7bp drop in 10yr yields and 3/8th point improvement in MBS. 10s gained about 1 more bp by the close and MBS added another eighth of a point, bringing to total rally over half a point on the day as of 4pm ET. There were no other notable market movers by the time domestic trading hours began. The rally speaks to the likelihood that an official peace deal could create more rally momentum, but also to the market's susceptibility to war-related headlines.

Latest Video Analysis



Pre-Market Gains Stuck Around All Day



MONEYHOUSE

Chris Munson

SVP and Managing Director
US Sales and Operations,
The Money House

P: (407) 255-2047

M: (704) 957-5053

8751 Commodity Circle Ste 17
Orlando FL 32819



MBS & Treasury Markets

UMBS 5.0 98.97 +0.15 | 10YR 4.321% -0.026% 5/7/2026 8:47AM EST

Big Overnight Recovery on Peace Deal Reports

There was one, big, obvious market mover overnight. At 4:50am ET, Axios reported that the U.S. and Iran are close to signing a one page memo of understanding to end the war. Oil and bond yields were already in recovery mode, but this kicked things into higher gear. Most of the gains remain even after both sides offered refutations (which the market now perceives as merely a negotiation tactic). Subsequent reports from other sources also speak to specific details in the peace deal that seem to specific to be made up. In early trading, ADP employment data had no impact and Treasury's confirmation of unchanged auction sizes helped bonds hold the overnight gains.

MBS MORNING: Modest Recovery Ahead of Econ Data

ALERT: Negative Reprices Becoming More Likely

Today's Mortgage Rates

30YR Fixed 6.44% -0.10% | 15YR Fixed 6.00% -0.04% 5/6/2026

Mortgage Rates Make a More Serious Recovery

spiked sharply on Monday, hitting the highest levels in more than a month as escalation fears ramped up surrounding the Iran war. Yesterday technically saw some recovery, but it may as well have been an "unchanged" day. Now today, we're seeing a more legitimate recovery with the average lender back down to last Friday's levels.

The move follows a drop in oil prices inspired by progress toward a peace agreement. News came out overnight that The U.S. and Iran were close to signing a one-page memo outlining a more formal peace agreement. While full details would take time to hammer out, this would effectively end the war.

Oil prices and bond yields fell at their fastest pace since mid April. Bond yields correlate with (in fact, they ARE interest rates), but mortgage rates are determined by slightly different bonds that are specific to the mortgage market. This means that mortgage rates and U.S. Treasury yields are almost always moving in the same direction, but at different paces, depending on the day.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Thursday, May 07				
5:30AM	Apr Challenger layoffs (k)	83.387K		60.62K
8:30AM	Apr/25 Continued Claims (k) ☆	1,766K	1800K	1785K
8:30AM	Q1 Unit Labour Costs QoQ Final ☆	2.3%	2.6%	4.4%
8:30AM	May/02 Jobless Claims (k) ☆	200K	205K	189K
10:00AM	Feb Construction spending (%)			
10:00AM	Mar Construction spending (%)		0.2%	-0.3%
10:20AM	NY Fed Bill Purchases 1 to 4 months (%)		\$7.585 billion	
11:00AM	Apr Consumer Inflation Expectations ☆			3.4%
2:05PM	Fed Hammack Speech ☆			
3:00PM	Mar Consumer credit (bl)		\$12.5B	\$9.48B
3:30PM	Fed Williams Speech ☆			
Friday, May 08				
5:45AM	Fed Cook Speech ☆			
8:30AM	Apr Participation Rate ☆			61.9%
8:30AM	Apr Average earnings mm (%) ★		0.3%	0.2%
8:30AM	Apr Unemployment rate mm (%) ★★		4.3%	4.3%
8:30AM	Apr Non Farm Payrolls (k) ★★		60K	178K
10:00AM	May Consumer Sentiment (ip) ☆		49.5	49.8
10:00AM	May U Mich conditions ☆			52.5
10:00AM	May Sentiment: 5y Inflation (%) ☆			3.5%
10:00AM	May Sentiment: 1y Inflation (%) ☆			4.7%
7:30PM	Fed Daly Speech ☆			
7:30PM	Fed Goolsbee Speech ☆			
7:30PM	Fed Waller Speech ☆			
7:30PM	Fed Bowman Speech ☆			