

MARKET SUMMARY

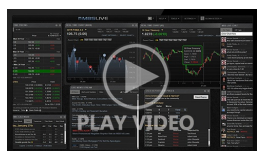
Complete Recap of Today's Market Activity

Another Mid-Day Reversal Driven by Dueling Headlines

Market Summary: Friday, May 8, 2026 - 12:18AM

The overnight session featured a modest but clearly-defined rally in response to hopeful headlines on the Iran war. But as early as 9am ET, a complete reversal was beginning to take shape. Bonds remained in positive territory until the 11am hour when war headlines kicked selling into higher gear. Specifically, reports suggested Iran rejected the U.S. framework that helped bonds overnight. Separate news cited CIA sources, claiming Iran can withstand a Hormuz blockade for months. Selling continued in the afternoon on reports that had more to do with escalation risks (Saudi Arabia and Kuwait allowing U.S. forces to operate from their bases, explosions heard in Southern Iran). All told, 10yr yields were up more than 4bps by 3pm and MBS were down a quarter point.

Latest Video Analysis



War Headlines Drive Mid-Day Reversal



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UMBS 5.0 98.63 -0.01 | 10YR 4.387% -0.004% 5/7/2026 10:13PM EST

Negative Reprice Risk Increasing

After several fresh war-related headlines, bonds are moving into negative territory. MBS are now down 1 tick (.03) on the day and more than an eighth from most lenders' rate sheet print times.

10yr yields are up 1.4bps at 4.361.

Headlines in question:

IRAN REJECTS U.S. STRAIT OF HORMUZ DEAL AS 'UNREALISTIC'

IRAN'S FOREIGN MINISTRY SPOKESPERSON STATED THAT IRAN HAS NOT DECIDED ON THE PROPOSAL AND HAS NOT RESPONDED TO THE U.S. YET.

CIA SAYS IRAN CAN OUTLAST HORMUZ BLOCKADE FOR MONTHS – WAPO

ALERT: MBS Down More Than an Eighth From Highs

MBS MORNING: More Peace Deal Hope, More Overnight Gains

Today's Mortgage Rates

30YR Fixed 6.44% +0.00% | 15YR Fixed 6.00% +0.00% 5/7/2026

Mortgage Rates Erase Early Improvement

The day began on a fairly hopeful note for the mortgage market. During overnight trading hours, the bond market improved following a report regarding a peace framework sent to Iran by The U.S.

When bonds improve, rates fall, all else equal. The gains were modest, but they allowed the average lender to set their first rates of the day at slightly lower levels compared to yesterday. Lenders prefer a "one and done" strategy when it comes to setting for the day, but they will make mid-day changes if the underlying market moves enough.

The underlying market began moving more than enough just before the noon hour. Most lenders were forced to recall their initial rate offerings and make upward adjustments. The net effect at the time of printing is that the average lender is back in line with yesterday's levels.

Time	Event	Actual	Forecast	Prior
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) ★★		62K	178K
10:00AM	May Consumer Sentiment (ip) ☆		49.5	49.8
10:00AM	May U Mich conditions ☆		52	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 ☆			
Monday, May 11				
10:00AM	Apr Exist. home sales % chg (%) ☆			-3.6%
10:00AM	Apr Existing home sales (ml) ☆		4.05M	3.98M
10:20AM	NY Fed Bill Purchases 1 to 4 months (%)		\$7.585 billion	
1:00PM	3-Yr Note Auction (bl)		58	