MARKET SUMMARY

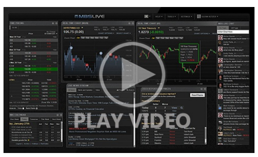
Complete Recap of Today's Market Activity

Weaker Start After Peace Deal Stalls

Market Summary: Monday, May 11, 2026 - 12:23PM

Bonds are starting the day moderately weaker. The reasons are straightforward. Chief among them, Trump rejected Iran's counterproposal to end the war, calling it "totally unacceptable." In response, Iran's foreign minister said it will never bow to foreign pressure. Adding fuel to the fire, Netanyahu said the war was not over and there was "more work to be done." When trading began late Sunday night, oil prices were roughly 5bps higher and 10yr yields rose 4bps to roughly 4.40%.

Latest Video Analysis



Calm and Slightly Stronger, But Volatility Will be Back

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MBS & Treasury Markets

UMBS 5.0	98.64	-0.25	10YR	4.386%	+0.031%	5/11/2026 10:19AM EST

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MBS MORNING: Forget What You Know About The Payroll Count

ALERT: Negative Reprice Risk Increasing

Today's Mortgage Rates

30YR Fixed	6.42%	-0.02%	15YR Fixed	5.99%	-0.01%	5/8/2026

Mortgage Rates End Week Slightly Lower

It ended up being a decent round trip for rates this week. Monday kicked things off with a jump to the highest level in more than a month, and the third highest since August 2025. But that ended up being the only day where rates went higher.

Wednesday brough the biggest chunk of the recovery with MND's daily rate index dropping 0.10%. Tuesday and Friday (today) each added a 0.02% drop, taking the index to 6.42% after ending last week at 6.44%.

War-related headlines were less of a factor today and volatility was unsurprisingly lighter as a result. This is an adjustment for seasoned rate watchers who are used to monthly jobs report being a distinct source of volatility. It's especially notable that the job count came in significantly higher with no ill effect on bonds/rates.

Over the past 6 months, markets have shifted their jobs report focus from the payroll count to the unemployment rate, reversing decades of precedent. Today's outcome is more logical in that context as the unemployment rate was right in line with expectations at 4.3%.

Time	Event	Actual	Forecast	Prior
Monday, May 11				
10:00AM	Apr Exist. home sales % chg (%) ☆	0.2%		-3.6%
10:00AM	Apr Existing home sales (ml) ☆	4.02M	4.05M	3.98M
10:20AM	NY Fed Bill Purchases 1 to 4 months (%)		$7.587 billion	
1:00PM	3-Yr Note Auction (bl)	58		
Tuesday, May 12				
12:00AM	Roll Date - UMBS 30YR			
3:15AM	Fed Williams Speech ☆			
6:00AM	Apr NFIB Business Optimism Index		96.1	95.8
8:15AM	ADP Employment Change Weekly			39.25K
8:30AM	Apr y/y Headline CPI (%) ☆		3.7%	3.3%
8:30AM	Apr m/m Headline CPI (%) ★		0.6%	0.9%
8:30AM	Apr y/y CORE CPI (%) ★★		2.7%	2.6%
8:30AM	Apr m/m CORE CPI (%) ★★		0.4%	0.2%
11:30AM	6-Week Bill Auction (%)			3.630%
12:00PM	WASDE Report (%)			
1:00PM	Fed Goolsbee Speech ☆			
1:00PM	10-yr Note Auction (bl) ★		42	
2:00PM	Apr Federal budget (bl)		$37.5B	$-164.1B