MARKET SUMMARY

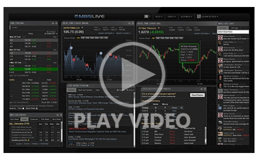
Complete Recap of Today's Market Activity

At Least It Didn't Get Much Worse After The Initial Rout

Market Summary: Sunday, June 7, 2026 - 10:00PM

If you had to find something reassuring to say about the bond market today, it would be that there wasn't much selling after 9am ET. Unfortunately, there was a whole lot of selling in the prior 30 minutes. Try as they might, analysts couldn't find any obvious holes in the strong picture painted by the jobs report. Stocks got completely destroyed as well--evidence of the jump in Fed rate hike expectations adding to a tech correction that was already underway. An Iran war peace deal remains the biggest market moving prospect on the horizon, but traders will be a bit more interested in labor market data going forward.

Latest Video Analysis



More People Get Jobs. Financial Markets Hated It

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UMBS 5.0	97.62	-0.15	10YR	4.546%	+0.028%	6/7/2026 7:51PM EST

Job Market Says "I'm Not Dead Yet." Bond Market Doesn't Love It

Buzz has been growing around the labor market for the past several months, but today's jobs report went the extra mile to make it official. The job market is officially re-accelerating. Actually, the better claim would be that the jobs market is simply attempting to level off after a very long post-covid normalization. Most of today's charts show that quite well.

Payrolls surged to 172k vs an 85k forecast. The previous report was revised up to 179k from 115k. The unemployment rate held steady at a historically low 4.3% and dropped modestly on an unrounded basis. Volatility in the payroll count has been higher since Fall 2025. This is also apparent in the charts and it can be partially (maybe fully?) explained by the ongoing drop in survey response rates, both for consumers businesses (note the BLS data on response rates only runs through Jan/Feb).

Meanwhile, the bond market left no doubt that it is more than willing to react to econ data if that data is important enough. 10yr yields are up 5.5bps instantly and MBS are down almost half a point.

ALERT: Heavy Selling After Hotter Jobs Report

MBS MORNING: Losses Erased After Another Peace Teaser

Today's Mortgage Rates

30YR Fixed	6.66%	+0.08%	15YR Fixed	6.13%	+0.02%	6/5/2026

Mortgage Rates Jump After Strong Jobs Report

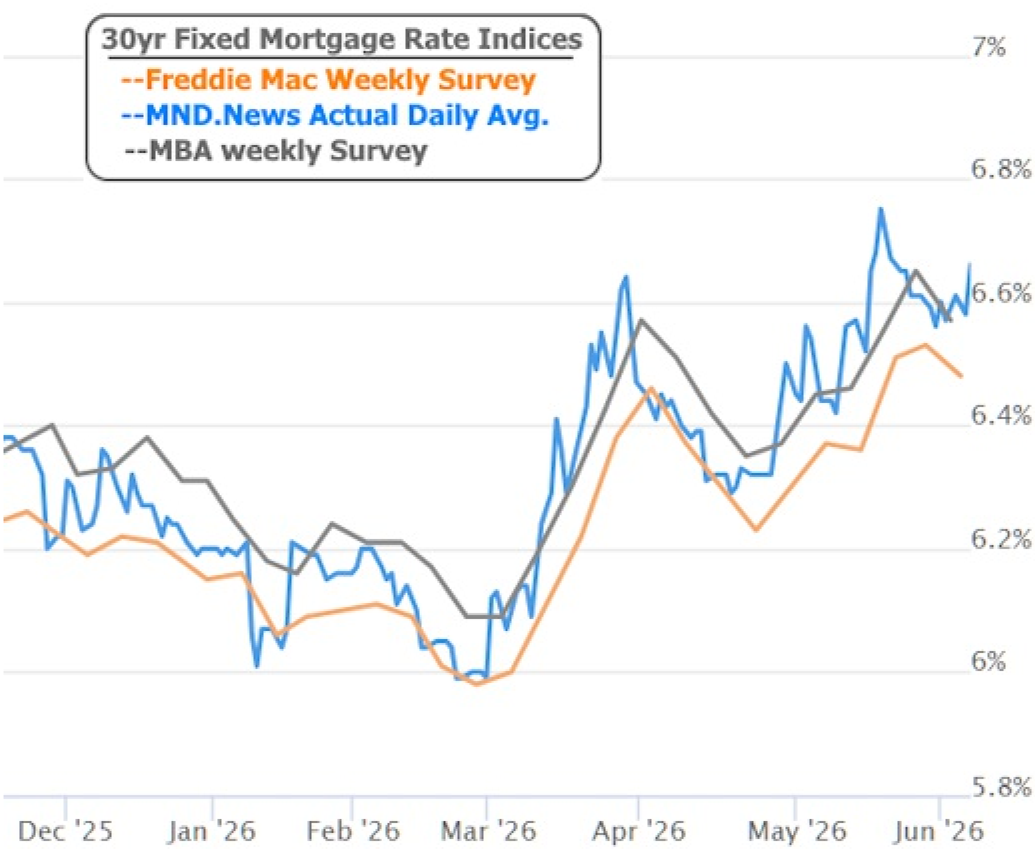
Over the past three months, mortgage rate movement has been driven primarily by developments in the Iran war. It's not that war, itself, is a consideration, but rather the implications for fuel prices and inflation. Bonds care deeply about inflation and are based directly on bonds.

When inflation isn't raging (or at the risk of raging), rates/bonds spend most of their time thinking about the economy. Lately, the data has been even-keeled enough that it hasn't had enough of an impact to override the war's inflation-related volatility, but today was an exception.

The jobs report not only crushed expectations, but it revised the past 2 reports sharply higher as well. The net effect is that the labor market looks more like it's finding its footing (possibly even accelerating) and less like it is still in the downtrend that characterized the post-covid normalization.

If all that was confusing, here's the simple version. More people got jobs than expected and the market didn't like it because it removes any argument in favor of the Fed cutting rates. Fed rates don't equal , but Fed rate expectations for the future cause mortgage rate movement in the present (and Treasury movement, and stock market movement, etc.).

On a bright note, even after today's rout, the average lender remains under the highs seen on May 19th. The Iran war is still the most important input for rates, and a confirmed peace deal would still provide relief.



Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Friday, Jun 05				
8:30AM	May Participation Rate ☆	61.8%		61.8%
8:30AM	May Unemployment rate mm (%) ★★	4.3%	4.3%	4.3%
8:30AM	May Non Farm Payrolls (k) ★★	172K	85K	115K
8:30AM	May Average earnings mm (%) ★	0.3%	0.3%	0.2%
3:00PM	Apr Consumer credit (bl)	$20.70B	$18B	$24.86B
Monday, Jun 08				
11:00AM	May Consumer Inflation Expectations ☆			3.6%