MARKET SUMMARY

Complete Recap of Today's Market Activity

Traders Cautiously Buying The Dip

Market Summary: Monday, June 8, 2026 - 4:19PM

Things got a bit worse before they got better over the weekend. 10yr yields were as high as 4.58% in overnight trading, but are now down 1-2bps in early domestic trading. Oil prices mirrored the same movement overnight, but haven't recovered as much as bond yields. In fact, bonds arguably led the move lower with a gradual rally starting just after 5am ET. Most of the drop in oil prices followed news that Israel agreed to halt today's attacks in Lebanon. There is no big ticket econ data on tap. War headlines remain relevant as does the bond market's ongoing range-finding after Friday's rout.

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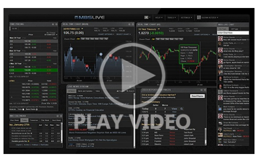
Latest Video Analysis



More People Get Jobs. Financial Markets Hated It

MBS & Treasury Markets

UMBS 5.0	97.69	-0.09	10YR	4.548%	+0.016%	6/8/2026 2:14PM EST

New Lows, Slightly Weaker Than Mid-Day

MBS staged an anemic rally between noon and 2:30pm ET, but have been selling since then. They're now at new lows for the day, down 7 ticks (.22) in all and a quarter point from the AM highs. Lenders who haven't repriced for the worse are slightly more likely to be considering it. Risks are higher for those who priced closer to 10am and lower for those who priced at 11am or later.

10yr yields are up 3.5bps at 4.567.

ALERT: MBS Down Just Over an Eighth From Highs

MBS MORNING: Traders Cautiously Buying The Dip

Today's Mortgage Rates

30YR Fixed	6.68%	+0.02%	15YR Fixed	6.20%	+0.07%	6/8/2026

Mortgage Rates Jump After Strong Jobs Report

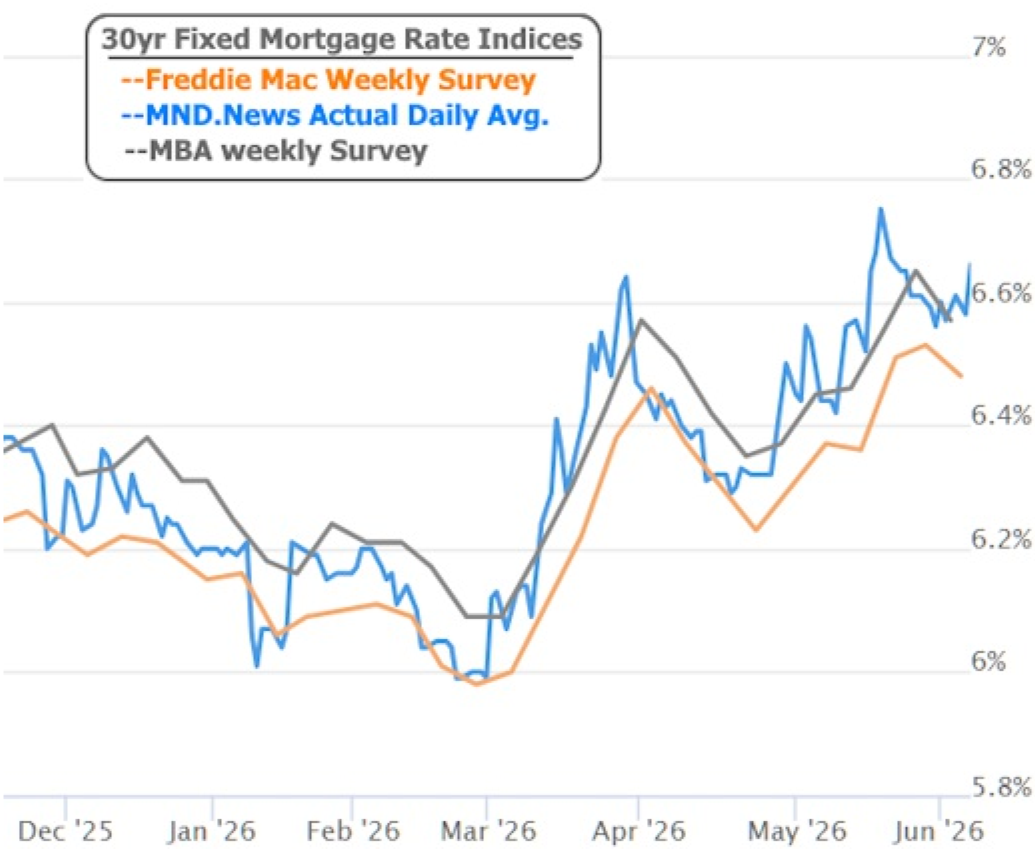
Over the past three months, mortgage rate movement has been driven primarily by developments in the Iran war. It's not that war, itself, is a consideration, but rather the implications for fuel prices and inflation. Bonds care deeply about inflation and are based directly on bonds.

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
Monday, Jun 08				
11:00AM	May Consumer Inflation Expectations ☆	3.5%		3.6%
Tuesday, Jun 09				
6:00AM	May NFIB Business Optimism Index		96.0	95.9
8:15AM	ADP Employment Change Weekly			35.75K
8:30AM	Apr Trade Gap (bl)		$-56.4B	$-60.3B
9:20AM	NY Fed Bill Purchases 4 to 12 months (%)		$3.288 billion	
10:00AM	May Exist. home sales % chg (%) ☆			0.2%
10:00AM	May Existing home sales (ml) ☆		4.06M	4.02M
11:30AM	6-Week Bill Auction (%)			3.625%
12:00PM	EIA Short-Term Energy Outlook (%) ☆			
1:00PM	3-Yr Note Auction (bl)		58	