MARKET SUMMARY

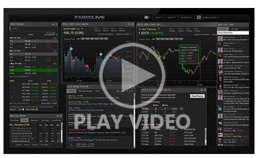
Complete Recap of Today's Market Activity

Red Night, Green Morning After Weaker Jobs Data

Market Summary: Thursday, July 2, 2026 - 1:44PM

Bonds continued drifting gently higher in the overnight session with 10yr yields just barely edging above 4.50% before today's big jobs report (the only calendar event of note before the holiday weekend). The reaction is perfectly reasonable given the data results. The payroll count was weaker (57k vs 110k, with another -71k of revisions) and bonds rallied immediately. If the 4-5bp rally in 10yr yields seems like less than you'd expect, turn your attention to 2 year yields which fell at a much quicker pace. This is a factor of its closer connection to the Fed Funds Rate (which makes sense if you consider "2 years" is closer to the duration of loans made at the Fed Funds Rate than "10 years"). From here, bond traders that remain at the desk will be eying exits at 2pm ET. Any remaining volatility may be a simple factor of light trader participation. Log today as a victory and wait for price discovery next week.

Latest Video Analysis



Bonds Find Some Solace in Warsh

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MBS & Treasury Markets

UMBS 5.0 98.26 +0.22 | 10YR 4.455% -0.026% 7/2/2026 11:39AM EST

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Here's a fun little chart that puts quarter-end volume and volatility into perspective relative to a jobs report reaction:

ALERT: Down Just Over an Eighth From The Highs

MBS MORNING: Tuesday Sell-Off Sticking; Warsh and ISM On Deck

Today's Mortgage Rates

30YR Fixed 6.60% -0.05% | 15YR Fixed 6.17% -0.02% 7/2/2026

Mortgage Rates Recover Somewhat

Today is a half day for financial markets, which is a typical feature of a federal holiday weekend. Because tomorrow is fully closed, the big jobs report (normally a Friday affair) was instead released this morning. It ended up helping rates move lower.

The jobs report (officially "The Employment Situation") measures new jobs created (or lost) each month in addition to the unemployment rate. The job count was much weaker than expected and, although the unemployment rate technically dropped, it did so for the wrong reasons (fewer people considered themselves part of the workforce). In fact, if we adjust for labor force participation, unemployment actually moved higher.

The jobs report is the most important economic data as far as bonds are concerned. And because bonds dictate rates, there's a clear connection to the mortgage world. Weaker jobs data = lower rates, all else equal. Today was no exception with MND's 30yr fixed rate index erasing most of yesterday's spike.

Economic Calendar

Time	Event	Actual	Forecast	Prior
Thursday, Jul 02				
4:00AM	Jun Total Vehicle Sales (ml)	16.5M	16.0M	16.1M
8:30AM	Jun/20 Continued Claims (k) ☆	1814K	1810K	1821K
8:30AM	Jun/27 Jobless Claims (k) ☆	215K	220K	215K
8:30AM	Jun Participation Rate ☆	61.5%		61.8%
8:30AM	Jun Average earnings mm (%) ★	0.3%	0.3%	0.3%
8:30AM	Jun Non Farm Payrolls (k) ★★	57K	110K	172K
8:30AM	Jun Unemployment rate mm (%) ★★	4.2%	4.3%	4.3%
10:00AM	May Factory orders mm (%)	-1.3%	-1.8%	4.8%
2:00PM	Happy 4th!! ★★			
Friday, Jul 03				
12:00AM	Happy 4th!! ★★			