

MARKET SUMMARY

Complete Recap of Today's Market Activity

Not Reading Too Much Into Late Day Reversal

Market Summary: Friday, July 3, 2026 - 6:19PM

Bonds rallied quickly in response to this morning's jobs report and pressed to even stronger levels by mid-day. That's the point in the day that most traders (the ones actually working) consider bonds to be "closed." You're free to do the same and count today as a win. But in the noon-2pm hour, a decent chunk of the AM gains were erased. We wouldn't read too much into those and instead view them as a facet of pre-holiday-weekend **illiquidity** and/or position squaring. This doesn't imply directionality in the future. It just means we have to wait for next week to get a clean read on market sentiment.

Latest Video Analysis



Not Reading Too Much Into Late Day Reversal



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MBS & Treasury Markets

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|----------|-------|-------|------|--------|---------|---------------------|
| UMBS 5.0 | 98.09 | +0.05 | 10YR | 4.486% | +0.005% | 7/2/2026 5:59PM EST |
|----------|-------|-------|------|--------|---------|---------------------|

Weakest Post-Data Levels At The Close

There are less than 14 minutes to go in today's holiday-shortened session, but bonds are back in line with their weakest post-data trading levels heading into the close. 10yr yields are up 1.1bps at 4.492 and MBS are 7 ticks (.22) below their intraday highs (though still a few ticks higher on the day).

Due to morning rate sheet print times, negative reprices aren't especially likely, but jumpier lenders could technically be considering it. The best way to use this alert is as a cue to lock if you were already planning on locking today (i.e. no point in holding out for a positive reprice).

MBS MORNING: Red Night, Green Morning After Weaker Jobs Data

ALERT: Down Just Over an Eighth From The Highs

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

Last Week | This Week | Next Week

| Time | Event | Actual | Forecast | Prior |
|-----------------------|--------------------------------|--------|----------|-------|
| Friday, Jul 03 | | | | |
| 12:00AM | Happy 4th!! ★★ | | | |
| Monday, Jul 06 | | | | |
| 9:45AM | Jun S&P Global Services PMI ☆ | | 51.3 | 50.7 |
| 9:45AM | Jun S&P Global Composite PMI ☆ | | 52.2 | 51.5 |
| 10:00AM | Jun ISM Services Employment ☆ | | | 47.9 |
| 10:00AM | Jun ISM Services New Orders ☆ | | | 57.3 |
| 10:00AM | Jun ISM Biz Activity ☆ | | | 57.7 |
| 10:00AM | Jun ISM Services Prices ☆ | | | 71.3 |
| 10:00AM | Jun ISM N-Mfg PMI ★★ | | 54.2 | 54.5 |
| 11:00AM | Fed Waller Speech ☆ | | | |