MARKET SUMMARY

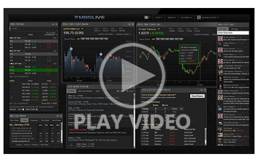
Complete Recap of Today's Market Activity

Giving Peace (And Bonds?) a Chance

Market Summary: Wednesday, July 29, 2026 - 5:44AM

Granted, it may be far less promising than some of the more conclusive headlines that led up to previous ceasefires and peace memos, but Tuesday delivered at least a modicum of hope that war sentiment is shifting. In not so many words, an Israeli media outlet reported that U.S./Iran mediators are getting closer to re-implementing the previous memo of understanding that paved the way toward more permanent peace. Markets take this with a grain of salt for obvious reasons, but it was enough to lift stocks and cause a small-but-quick drop in oil prices and bond yields. There were no other major market movers in play.

Latest Video Analysis



Giving Peace (And Bonds) a Chance

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MBS & Treasury Markets

UMBS 5.5	99.44	-0.04	10YR	4.610%	+0.003%	7/29/2026 3:39AM EST

Another Slightly Stronger Start

Once again, bond yields dropped in the overnight session in concert with lower oil prices. Today's iteration is less swift than yesterday's, but after last week's sell-off, we'll take any green we can get. Econ data is light and inconsequential. The 7yr Treasury auction is typically not a source of drama. That leaves focus on any notable war headlines. Otherwise, Wednesday afternoon's Fed announcement remains the week's focal point for clarifying the Fed's policy stance and for the bond market to adjust accordingly.

The big picture remains little-changed, but slightly less dire than last week. Yields have returned inside the long-term trend channel. This doesn't predict the future, but it's nice to be inside the blue lines than breaking wildly above them.

MBS MORNING: Less Bombing. More Rallying

ALERT: Negative Reprice Risk Increasing Slightly

30YR Fixed	6.76%	-0.04%	15YR Fixed	6.31%	-0.02%	7/28/2026

Mortgage Rates Roughly Unchanged Versus Friday's Lows

After bottoming out around 6.5% in late June, moved steadily higher this month, ultimately hitting 6.85% last Thursday--the highest level in over a year. There was a modest recovery on Friday with a fair amount of intraday changes from the average mortgage lender.

Because rates are based on bonds, it's worth noting that bonds are in better shape today compared to Friday's latest levels. But if we use Friday's stronger mid-day levels as a baseline, bonds are just barely stronger. As such, it's no surprise to see mortgage rates just barely lower.

The key consideration for the bond market over the weekend was the announcement of a pause in the fighting in Iran. This helped oil prices move lower, thus lowering inflation implications and bond yields. This is the financial market's way of saying can also come down.

The caveat is of course that a resurgence of fighting in Iran could cause oil and inflation expectations to rise again, thus putting renewed pressure on rates. In addition, Wednesday's Fed announcement is also a potential source of volatility. The Fed is not expected to hike or cut, but the market is less convicted than normal about the Fed's likely course of action. That means the result will be somewhat surprising to a larger share of the market than normal, and that's a recipe for volatility.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Wednesday, Jul 29				
7:00AM	Jul/24 MBA Refi Index			802.3
7:00AM	Jul/24 Mortgage Market Index			264.0
7:00AM	Jul/24 MBA Purchase Index			165.8
10:30AM	Jul/24 Crude Oil Inventory (ml)		-1.75M	2.011M
11:30AM	2-Year FRN Auction (%)			0.079%
11:30AM	2-Yr Note Auction (bl)		30	
2:00PM	Fed Interest Rate Decision ★★		3.75%	3.75%
2:30PM	Fed Press Conference ★★			
Thursday, Jul 30				
8:30AM	Jul/25 Jobless Claims (k) ☆		200K	187K
8:30AM	Jul/18 Continued Claims (k) ☆		1800K	1796K
8:30AM	Q2 Core PCE Prices QoQ ☆		3.5%	4.4%
8:30AM	Q2 GDP Final Sales (%)			1.9%
8:30AM	Q2 GDP (%) ★		2.1%	2.1%
8:30AM	Jun Core PCE (m/m) (%) ★		0.2%	0.3%
8:30AM	Jun Core PCE (y/y) (%) ★		3.3%	3.4%
8:30AM	Q2 PCE Prices (Q/Q) ☆			4.6%
8:30AM	Jun PCE prices (m/m) (%) ☆		-0.1%	0.4%
8:30AM	Jun PCE (y/y) (%) ☆		3.7%	4.1%
9:20AM	NY Fed Bill Purchases 1 to 4 months (%)		$5.179 billion	