MARKET SUMMARY

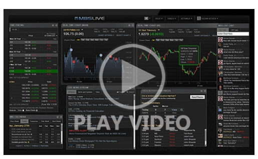
Complete Recap of Today's Market Activity

Sideways Start is a Victory

Market Summary: Thursday, July 30, 2026 - 12:17PM

This morning could have been much worse. The bond market could have continued spiraling on fear that it is now responsible for conducting monetary policy--something that sounds weird when you first read it, but is actually central to the discussion based on Warsh's comments in yesterday's press conference. In short, bonds tightened policy yesterday and acknowledged that the Fed did not (2yr lower, 10/30yr much higher). That theme is continuing this morning, but thankfully is only playing out in curve trading as 30yr bonds are flat while 2yr yields continue dropping. Ho-hum econ data helped by staying out of the way (no major reaction in terms of volume or volatility as it stands). MBS are up just over an eighth and 10s are down 2bps. Bad news: rates/yields are still right in line with long-term highs. Good news: they're not breaking those highs.

Latest Video Analysis



What's up With Today's Paradoxical Fed Reaction

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MBS & Treasury Markets

UMBS 5.5	99.43	+0.16	10YR	4.657%	-0.024%	7/30/2026 10:14AM EST

Sideways Start is a Victory

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ALERT: Negative Reprice Risk Increasing

ALERT: Lenders Who Dropped Rates After Fed May Need to Reprice

Today's Mortgage Rates

30YR Fixed	6.77%	-0.01%	15YR Fixed	6.31%	-0.01%	7/30/2026

Mortgage Rates Slightly Higher Despite No Fed Rate Hike

Heading into today's Fed announcement, futures markets indicated roughly a 1 in 3 chance that the Fed would hike rates. They did not. This seems like it should have been good news for rates, but there's a catch.

Rates exist on a spectrum defined by "duration." Specifically, there are different rates for different lengths of loans. The Fed Funds Rate is relevant to loans of the shortest duration (mostly overnight lending between the largest financial institutions). , meanwhile, are more closely linked to longer term loans--bonds with durations that average 5-7 years.

When a Fed decision or the Fed outlook is actively being traded, we often see big divergences between the shortest-term rates and the longest. Today's reaction is a prime example. 2-year Treasuries (short enough to get some benefit from the Fed holding rates steady) fell noticeably. But longer term rates launched higher.

Why?

Warsh basically told the market that he doesn't need to hike if the market is going to do it for him. And because short-term bonds have to stay more closely linked to the Fed Funds Rate, it's longer-term bonds that can actually accommodate Warsh's request.

Mortgages are long enough to see a bit of damage from this trading dynamic, thus the moderate increase in today's average 30yr fixed rates. It's also worth mentioning that the day got off to a challenging start for rates due to overnight increases in oil prices (which have been closely linked to rate movement during the Iran war).

Economic Calendar

Time	Event	Actual	Forecast	Prior
Thursday, Jul 30				
8:30AM	Jul/25 Jobless Claims (k) ☆	197K	200K	187K
8:30AM	Jul/18 Continued Claims (k) ☆	1782K	1800K	1796K
8:30AM	Q2 Core PCE Prices QoQ ☆	3.4%	3.5%	4.4%
8:30AM	Q2 GDP Final Sales (%)	2.2%		1.9%
8:30AM	Q2 GDP (%) ★	1.5%	2.1%	2.1%
8:30AM	Jun Core PCE (m/m) (%) ★	0.1%	0.2%	0.3%
8:30AM	Jun Core PCE (y/y) (%) ★	3.3%	3.3%	3.4%
8:30AM	Q2 PCE Prices (Q/Q) ☆	5.1%		4.6%
8:30AM	Jun PCE prices (m/m) (%) ☆	-0.1%	-0.1%	0.4%
8:30AM	Jun PCE (y/y) (%) ☆	3.7%	3.7%	4.1%
9:20AM	NY Fed Bill Purchases 1 to 4 months (%)		$5.179 billion	
Friday, Jul 31				
8:30AM	Q2 Employment costs (%) ★★		0.8%	0.9%
9:45AM	Jul Chicago PMI ☆		56	56.7
10:00AM	Jul U Mich conditions ☆		54.9	47.7
10:00AM	Jul Consumer Sentiment (ip) ☆		54.0	49.5
10:00AM	Jul Sentiment: 1y Inflation (%) ☆		4.2%	4.6%
10:00AM	Jul Sentiment: 5y Inflation (%) ☆		3.3%	3.3%