MARKET SUMMARY

Complete Recap of Today's Market Activity

Japan Currency Intervention, Oil, and Data Causing Some Selling

Market Summary: Friday, July 31, 2026 - 12:32PM

Japan's Ministry of Finance (MOF) and central bank (BOJ) are a bit more closely linked than Treasury and the Fed. For example, the MOF can instruct the BOJ to sell a bunch of securities to pop up the value of domestic currency. They did this in relatively grand fashion yesterday, but the selling didn't appear to involve Treasuries (as it sometimes does). Now in today's overnight session, there was another Yen-specific spike and this time, it lines up with the start of selling pressure in Treasuries. It's not extreme, and it correlated with Iran headlines causing oil prices to rise. If anything, the timing actually lines up better with oil. Last but not least, this morning's ECI data added a small but measurable amount of selling. 10yr yields are flirting with 4.7 and MBS are down just over an eighth--not massive weakness considering the inputs.

Brendon Garcia

Broker/Owner,
Collaborative Capital

https://brendongarcia.com/

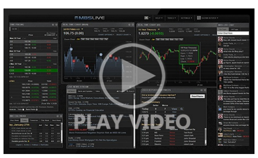
P: (805) 253-2053

brendon@brendongarcia.com

Westlake Village, California

NMLS# 278724
NMLS# 2385760

Latest Video Analysis



Bullets Dodged

MBS & Treasury Markets

UMBS 5.5	99.05	-0.25	10YR	4.722%	+0.049%	7/31/2026 10:29AM EST

Quickly Moving to New Lows

10yr yields are launching higher, and in the highest volume of the day--now up 6bps at 4.734.

MBS are down more than a quarter point and just over an eighth of a point since 9am. Most lenders don't release rates that early, but some rate sheets that are coming out now may have been "in progress" based on those 9am levels.

The selling may be linked to currency intervention trades targeting Japanese Yen, but given the sharp selling in stocks, this is far from confirmed. Month-end trading is an equally plausible explanation given the selling in stocks.

MBS MORNING: Japan Currency Intervention, Oil, and Data Causing Some Selling

MBS MORNING: Sideways Start is a Victory

Today's Mortgage Rates

30YR Fixed	6.83%	+0.06%	15YR Fixed	6.32%	+0.01%	7/31/2026

Mortgage Rates Sideways to Slightly Lower

It's not at all uncommon for to experience microscopic movement in either direction on any given day. In fact, it's probably the most common eventuality over time. In that sense, today was unremarkable with the average lender moving just a hair lower versus yesterday's latest levels.

But in another sense, it's very good news. After yesterday's market reaction to the Fed press conference, there was a risk that bonds (which dictate rates) would continue their protest. The absence of additional drama suggests the reaction was "one and done."

This morning's economic data had a small chance to cause a reaction in rates, but it turned out to be uneventful and possibly even helpful.

[thirtyyearmortgagerates]

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Friday, Jul 31				
8:30AM	Q2 Employment costs (%) ★★	0.9%	0.8%	0.9%
9:45AM	Jul Chicago PMI ☆	57.6	56	56.7
10:00AM	Jul U Mich conditions ☆	54.8	54.9	47.7
10:00AM	Jul Consumer Sentiment (ip) ☆	55.2	54.0	49.5
10:00AM	Jul Sentiment: 1y Inflation (%) ☆	4.2%	4.2%	4.6%
10:00AM	Jul Sentiment: 5y Inflation (%) ☆	3.3%	3.3%	3.3%
Monday, Aug 03				
9:45AM	Jul S&P Global Manuf. PMI ☆		53.8	53.9
10:00AM	Jul ISM Mfg Prices Paid ★		70	73.0
10:00AM	Jul ISM Manufacturing PMI ★★		54	53.3
10:00AM	Jul ISM Manufacturing Employment			49.7
10:00AM	Jun Construction spending (%)		0.2%	0.1%
2:00PM	Loan Officer Survey			