MARKET SUMMARY

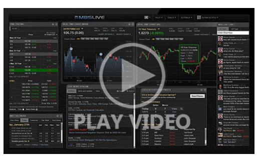
Complete Recap of Today's Market Activity

Solid Showing For Logical Reasons

Market Summary: Wednesday, August 5, 2026 - 6:25AM

Money flooded back into both sides of the market in a major way (albeit more "major" for the stock market) after Bessent said we could be days away from a new deal on Hormuz transit. Oil plunged to the lowest levels since July 13th and bond yields were willing to follow (also nearly back to 7/13 levels). MBS picked up more than quarter point and multiple lenders repriced for the better as the gains came in waves throughout the morning trading hours. Familiar risks remain. We've seen plenty of back and forth on the state of the war, but we can say the market seemed more willing than normal to buy into this latest pivot. Beyond that, econ data is a factor this week for bonds with ISM Services on Wednesday and the jobs report on Friday. Dare we say that the jobs report is likely not quite as big of a risk/opportunity as ongoing oil price volatility? We'll let you know on Friday around 8:40am ET.

Latest Video Analysis



Solid Showing For Logical Reasons

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MBS & Treasury Markets

UMBS 5.5	99.62	+0.02	10YR	4.606%	-0.009%	8/5/2026 4:19AM EST

Hormuz Deal Hopes Turning Bonds Green at Open

This morning is offering another installment of hope for some form of progress in Iran. In today's case, it was Bessent floating the notion of possible Hormuz deal as early as this week. Markets will believe it when they see it, of course, but they're certainly willing to trade the hope. After moving modestly higher overnight, oil prices and bond yields are quickly lower in response to the headlines.

MBS MORNING: Stronger Start on Iran News, Stronger Data Taken in Stride

ALERT: More Yen Intervention. New Lows For MBS

30YR Fixed	6.75%	-0.07%	15YR Fixed	6.29%	-0.03%	8/4/2026

Mortgage Rates Lowest in Over 2 Weeks

were a bit hesitant to follow the bond market's advice yesterday. Specifically, bonds rallied (i.e. bond prices moved higher and yields/rates moved lower). This almost always coincides with mortgage rates falling by a proportional amount. But yesterday didn't see the typical level of correlation for many lenders.

Today is a different story. The additional gains in the bond market (courtesy of Iran-related headlines and lower oil prices) offered enough reassurance for mortgage lenders to get a bit more aggressive in terms of keeping pace with the market.

The net effect is an average 30yr fixed rate that is now down to the lowest levels in just over 2 weeks.

[thirtyyearmortgagerates]

Economic Calendar

Time	Event	Actual	Forecast	Prior
Wednesday, Aug 05				
7:00AM	Jul/31 MBA Purchase Index	154.0		159.8
7:00AM	Jul/31 Mortgage Market Index	240.0		247.2
7:00AM	Jul/31 MBA Refi Index	709.1		723.1
8:15AM	Jul ADP jobs (k) ☆		70K	98K
9:45AM	Jul S&P Global Services PMI ☆		53.6	51.2
9:45AM	Jul S&P Global Composite PMI ☆		53.6	51.9
10:00AM	Jul ISM Biz Activity ☆			55.4
10:00AM	Jul ISM Services Employment ☆			51.2
10:00AM	Jul ISM Services New Orders ☆			55.1
10:00AM	Jul ISM Services Prices ☆			67.7
10:00AM	Jul ISM N-Mfg PMI ★★		54.5	54.0
10:30AM	Jul/31 Crude Oil Inventory (ml)		-1.5M	-7.167M
4:05PM	Fed Cook Speech ☆			
Thursday, Aug 06				
5:30AM	Jul Challenger layoffs (k)			45.849K
8:30AM	Jul/25 Continued Claims (k) ☆		1790K	1782K
8:30AM	Aug/01 Jobless Claims (k) ☆		202K	197K
8:30AM	Q2 Unit Labour Costs QoQ Final ☆		2.1%	1.8%
9:20AM	NY Fed Bill Purchases 4 to 12 months (%)		$3.453 billion	
5:30PM	Fed Musalem Speech ☆			