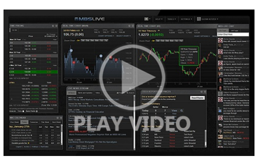
MARKET SUMMARY
Complete Recap of Today's Market Activity

Minimal Overnight Volatility. Waiting on Data and War News

Market Summary: Wednesday, August 5, 2026 - 11:11AM

With the potential for a Hormuz deal floated earlier in the week, a more substantive announcement remains the biggest opportunity for the bond market until Friday's jobs report (and even then, could supersede the jobs report depending on the details). Conversely, another diplomatic breakdown or another re-escalation would be the biggest risk. There were no no hints of either eventuality overnight and the flat trading levels in bonds confirm that. In the meantime, we'll have some B-team data in the form of ISM Services this morning at 10am ET. This report isn't guaranteed to cause a reaction, but it certainly reserves that right if it falls appreciably far from forecasts. As always, the employment component of the ISM data carries some weight given that it adds another solid anecdote ahead of Friday's big jobs report. Oil prices drifted just a hair higher after initial overnight gains, and bonds have followed, but the movement is so small that it's just as fair to say everything is sideways so far.

Latest Video Analysis



Solid Showing For Logical Reasons

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MBS & Treasury Markets

UMBS 5.5	99.54	-0.06	10YR	4.622%	+0.008%	8/5/2026 9:09AM EST

Nice Little Reversal After Iran-Related Newswire

U.S. REMOVES IRAN-RELATED SANCTIONS -TREASURY WEBSITE

We have not been able to independently confirm that the the sanctions news exists on Treasury's website, but the newswire exists and markets are reacting.

MBS are back to within 1 tick (.03) of unchanged and 10yr yields are within a fraction of a bp at 4.616.

This alleviates any reprice risk that had been building into the 10am hour.

ALERT: Losing Some Ground Ahead of ISM Data

MBS MORNING: Minimal Overnight Volatility. Waiting on Data and War News

Today's Mortgage Rates

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) ☆	44K	70K	98K
9:45AM	Jul S&P Global Services PMI ☆	54.6	53.6	51.2
9:45AM	Jul S&P Global Composite PMI ☆	54.5	53.6	51.9
10:00AM	Jul ISM Biz Activity ☆	59.1		55.4
10:00AM	Jul ISM Services Employment ☆	47.4		51.2
10:00AM	Jul ISM Services New Orders ☆	57.2		55.1
10:00AM	Jul ISM Services Prices ☆	70.3		67.7
10:00AM	Jul ISM N-Mfg PMI ★★	54.1	54.5	54.0
10:30AM	Jul/31 Crude Oil Inventory (ml)	2.479M	-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 ☆			