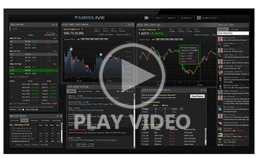
Much Stronger Start After Negative NFP Print

Market Summary: Friday, August 7, 2026 - 11:38AM

Nonfarm payrolls (NFP) FELL 23k versus an 80k forecast. Last month was revised down as well. From a traditional market-watching perspective, this is pure rally fuel. Indeed, bonds are rallying sharply so far. Let's hope it sticks. Why wouldn't it? As labor force dynamics have shifted, it doesn't take much job growth (or perhaps any?) to keep the unemployment rate steady. In fact, unemployment dropped in today's report, though it should be noted it's offset by a lower labor force participation rate (meaning unemployment basically held steady). We've seen some shifts in trading patterns after jobs reports in the past year, so don't assume this rally completely sticks (it could, and that would be great, but it's not as much of a given as it would have been if these numbers came out in 2024).

Latest Video Analysis



Almost Like Clockwork

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MBS & Treasury Markets

UMBS 5.5	99.55	+0.31	10YR	4.630%	-0.047%	8/7/2026 9:34AM EST

Down Almost an Eighth From Rate Sheet Times

Reprices aren't necessarily likely at the moment, but we're getting close to that being a possibility for the earlier lenders. 5.5 UMBS held a fairly narrow plateau during the prime time rate sheet window and are now down roughly an eighth of a point from that plateau (technically 3 ticks or 0.09 if you're looking at the lower edge of that plateau range).

Asterisks aside, the point is the same: approaching reprice risk, but not necessarily quite there yet (although it wouldn't be a total shock to see one or two lenders pull the trigger if they came out super strong).

MBS MORNING: Much Stronger Start After Negative NFP Print, But...

ALERT: Negative Reprices Becoming Likely

Today's Mortgage Rates

30YR Fixed	6.77%	+0.02%	15YR Fixed	6.30%	+0.01%	8/6/2026

Mortgage Rates Slightly Higher Ahead of Jobs Report

rose modestly on Thursday, with multiple lenders making mid-day adjustments in response to bond market volatility. Bonds remain highly attuned to war-related developments and the impact on oil prices which, in turn, have a bearing on inflation implications. Higher inflation begets higher , all else equal.

In addition to the oil/inflation narrative, bonds also came under some pressure as Alphabet announced a large corporate bond offering. Like anything in the market, bond prices change in response to supply and demand. If a big corporate bond competes for investor demand, it can indirectly lower the demand for the bonds that underlie mortgage rates. When bond prices fall, rates rise.

The good news is that the adjustment is very small in the bigger picture. Additionally, yesterday's rates were the best in more than 2 weeks. In other words, today's rates are modestly higher than the 2-week lows.

There's potential for volatility tomorrow, for better or worse, in response to the monthly jobs report. And of course, war-related headlines create ongoing risk/opportunity for movement in either direction.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Friday, Aug 07				
8:30AM	Jul Participation Rate	61.4%		61.5%
8:30AM	Jul Unemployment rate mm (%)	4.1%	4.2%	4.2%
8:30AM	Jul Non Farm Payrolls (k)	-23K	80K	57K
8:30AM	Jul Average earnings mm (%)	0.1%	0.3%	0.3%
10:00AM	Fed Barkin Speech			
11:00AM	Jul Consumer Inflation Expectations	3.6%		3.7%
3:00PM	Jun Consumer credit (bl)		$10.5B	$-0.18B
Monday, Aug 10				