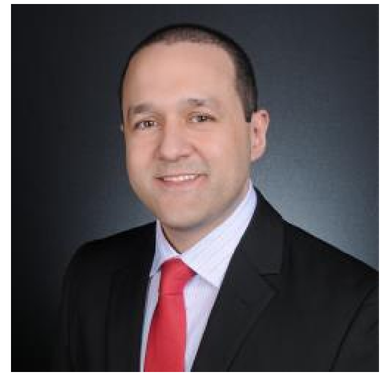
MARKET SUMMARY
Complete Recap of Today's Market Activity

Hawkish Read on Warsh Prompts Heavy Selling

Market Summary: Monday, August 31, 2026 - 1:09AM

Jackson Hole speeches are hit and miss when it comes to bond market volatility. Today's Warsh speech was something of a direct hit--more than enough to sink the battleship of anyone hoping for lower rates to end the week. Warsh's hawkishness was limited to tough talk on inflation and an upbeat assessment of the economy. It wasn't terribly different from the late July press conference, but the market viewed it as upgrading the chance of a rate hike before the end of 2026. 2yr Treasury yields (more sensitive to Fed rate expectations than the 10yr) rose more than 12bps by the close. MBS shed 3/8ths of a point and mortgage rates crested 3 week highs.



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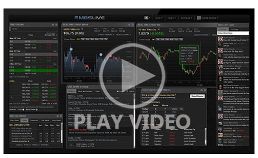

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MBS & Treasury Markets

UMBS 5.5	99.18	+0.10	10YR	4.710%	-0.003%	8/30/2026 11:04PM EST

Negative Reprice Risk Increasing

MBS are now down a quarter point on the day and almost as much versus lender rate sheet print times. 10yr yields are up 4 bps at 4.71.

Negative reprices are becoming more likely.

ALERT: Bonds Selling After Warsh Speech

MBS MORNING: Not The Payrolls You're Looking For

Today's Mortgage Rates

30YR Fixed	6.81%	+0.06%	15YR Fixed	6.35%	+0.03%	8/28/2026

Mortgage Rates Jump to 3-Week Highs After Jackson Hole Speech

Jackson Hole is a place in Wyoming, but it's also shorthand for an annual event where various central bankers get together and talk about monetary policy. The Fed Chair almost always delivers a speech and that speech occasionally causes volatility in the bond market. This year was a classic example.

Fed Chair Warsh's speech focused on inflation remaining too high and on the Fed's commitment to getting inflation back down to 2.0% as measured by the annual change in the PCE Price Index (currently at 3.7%). Even if we use the most charitable methods to estimate annual PCE prices, the index would still be in the 2.4-2.6% range.

Those details don't really matter for today, however. What matters is that the market took away a hawkish message from Warsh and the bond market reacted immediately. were fairly flat before that, but the average lender increased mortgage rates in response to the bond market movement seen after Warsh's speech.

The net effect was a move up to 6.81% for the average top-tier 30yr fixed rate--the highest in just over 3 weeks.

[thirtyyearmortgagerates]

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Monday, Aug 31				
Tuesday, Sep 01				
9:05AM	Fed Barr Speech ☆			
9:45AM	Aug S&P Global Manuf. PMI ☆		53.2	53.9
10:00AM	Aug ISM Mfg Prices Paid ★		72	71.1
10:00AM	Aug ISM Manufacturing PMI ★★		55.3	55.6
10:00AM	Aug ISM Manufacturing Employment			52.8
10:00AM	Jul USA JOLTS Job Openings (ml) ★		7.39M	7.359M
10:00AM	Sep IBD economic optimism		46.2	45.1
10:00AM	Jul Construction spending (%)		0.2%	-0.1%
10:00AM	Jul JOLTs Job Quits (ml) ☆			3.232M
11:30AM	6-Week Bill Auction (%)			3.650%