

# MARKET SUMMARY

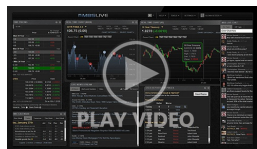
Complete Recap of Today's Market Activity

## Hawkish Read on Warsh Prompts Heavy Selling

Market Summary: Monday, August 31, 2026 - 6:47AM

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.

### Latest Video Analysis



Hawkish Read on Warsh Prompts Heavy Selling



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|          |       |       |      |        |         |                      |
|----------|-------|-------|------|--------|---------|----------------------|
| UMBS 5.5 | 99.17 | +0.09 | 10YR | 4.714% | +0.002% | 8/31/2026 2:00AM 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]

| 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 ★★      |        | 55.2     | 55.6   |
| 10:00AM         | Aug ISM Manufacturing Employment  |        |          | 52.8   |
| 10:00AM         | Jul USA JOLTS Job Openings (ml) ★ |        | 7.3M     | 7.359M |
| 10:00AM         | Sep IBD economic optimism         |        | 46.2     | 45.1   |
| 10:00AM         | Jul Construction spending (%)     |        | 0%       | -0.1%  |
| 10:00AM         | Jul JOLTs Job Quits (ml) ☆        |        |          | 3.232M |
| 11:30AM         | 6-Week Bill Auction (%)           |        |          | 3.650% |