MARKET SUMMARY

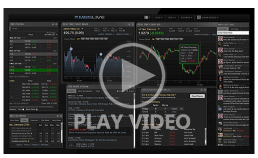
Complete Recap of Today's Market Activity

Still a Resilient Day Despite Afternoon Weakness

Market Summary: Thursday, September 3, 2026 - 8:45PM

The day's most notable development, by far, was the speech from Fed Governor Waller in which he said the Fed probably didn't need to hike at the upcoming meeting (depending on data, of course). Fed Funds Futures reacted immediately and mostly held those gains all day. The longer end of the curve ended up giving back most of the initial gains, albeit very gradually. The net effect is that we're still in "wait and see" mode--but a slightly less painful version--ahead of Friday's jobs report and next week's inflation data.

Latest Video Analysis



Still a Resilient Day Despite Afternoon Weakness

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MBS & Treasury Markets

UMBS 5.5	98.84	+0.02	10YR	4.774%	-0.006%	9/2/2026 10:40PM EST

MBS Down an Eighth From Mid-Day Highs

Just a heads up for those who already had a positive reprice or who are planning on locking today: MBS are still an eighth of a point higher on the day, but down an eighth from the mid-day highs (also down an eighth from the early lenders' rate sheet print times). Negative reprices are relatively rare in these scenarios, but they can and do happen occasionally.

MBS MORNING: Some Signs of Resilience

MBS MORNING: No News is Good News

Today's Mortgage Rates

30YR Fixed	6.88%	-0.03%	15YR Fixed	6.48%	-0.02%	9/3/2026

Mortgage Rates Drop to Week's Best Levels

finally had a decent day on Thursday after spending the previous three days inching into the highest levels in more than a year. Part of the improvement was due to comments from Fed Governor Chris Waller who said that it wouldn't be necessary to hike rates at the next meeting unless inflation data surprises to the upside.

Before that, the underlying bond market was already showing some resilience in overnight trading. The prevailing pattern has been a fairly reliable correlation between bond yields and oil prices. But this time around, yields held fairly steady in the overnight session even though oil prices moved higher.

Mortgage rates are based on bonds, and mortgage-specific bonds correlate almost flawlessly with 5-10yr U.S. Treasuries on any given day. The net effect was a return to the week's lowest levels for a top-tier 30yr fixed rate at the average lender.

Good news notwithstanding, risks remain on the horizon. Friday morning brings important economic data in the form of the jobs report. Next week's inflation data will be just as critical. As always, data-related volatility cuts both ways. If it's much weaker than expected, rates would likely continue lower. But if it's much higher than expected, rates would likely make new highs.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Thursday, Sep 03				
5:30AM	Aug Challenger layoffs (k)	52.881K		33.429K
8:30AM	Aug/22 Continued Claims (k) ☆	1779K		1778K
8:30AM	Q2 Unit Labour Costs QoQ Final ☆	1.2%	1.3%	1.3%
8:30AM	Aug/29 Jobless Claims (k) ☆	206K	205K	203K
8:30AM	Jul Trade Gap (bl)	$-88.6B	$-90B	$-73.3B
8:30AM	Fed Waller Speech ☆			
9:45AM	Aug S&P Global Composite PMI ☆	56.0	56.0	54.5
9:45AM	Aug S&P Global Services PMI ☆	56.5	56.8	54.6
10:00AM	Aug ISM Services Prices ☆	72.6		70.3
10:00AM	Aug ISM Biz Activity ☆	61.7		59.1
10:00AM	Aug ISM Services Employment ☆	47.8		47.4
10:00AM	Aug ISM N-Mfg PMI ★★	55.4	54.3	54.1
10:00AM	Aug ISM Services New Orders ☆	60.9		57.2
3:00PM	Fed Hammack Speech ☆			
Friday, Sep 04				
8:30AM	Aug Average earnings mm (%) ★		0.3%	0.1%
8:30AM	Aug Non Farm Payrolls (k) ★★		56K	-23K
8:30AM	Aug Unemployment rate mm (%) ★★		4.1%	4.1%
8:30AM	Aug Participation Rate ☆			61.4%