MARKET SUMMARY

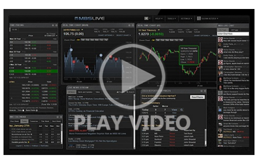
Complete Recap of Today's Market Activity

Big Intraday Round Trip For Bonds; Williams Helped

Market Summary: Tuesday, September 29, 2026 - 6:40PM

Bonds spent the first half of the day pressing into even weaker levels in spite of a respectable drop in oil prices. Data and headlines had little to no bearing on the selling. If anything, the biggest scapegoat is the combination of bearish momentum and quarter-end trading (something we're extrapolating from the mirror-image correlation between stocks and bond yields). 10yr yields crested 5.29% at their weakest levels--right in line with the only obvious nearby technical level from 2007. Bearishness reversed at 2pm when Fed Gov Williams said he didn't see a need for urgency after the September rate hike. Fed Funds Futures rallied quickly and the entire yield curve (apart from 30yr bonds) ended up making it back to positive territory by the close.

Latest Video Analysis



Big Intraday Round Trip For Bonds

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MBS & Treasury Markets

UMBS 6.0	98.20	0.00	10YR	5.234%	-0.006%	9/28/2026 8:35PM EST

Bonds Bounce Back Following Williams Comments

Just a head up for those curious about the mid-day recovery, this is the wire that marked the turning point:

FED'S WILLIAMS - SEES NO NEED FOR URGENCY AFTER SEPTEMBER RATE HIKE

As a reminder, Williams carries more weight than most Fed speakers. This is also a more unique comment relative to other Fed speakers recently. Markets agreed--especially Fed Funds Futures and the short end of the yield curve.

MBS are still weaker on the day, but by less than an eighth now (up roughly 3/8ths from lowest levels).

10yr up only 1.8bps at 5.257

ALERT: Additional Negative Reprice Risk

ALERT: Down Sharply From AM Highs

Today's Mortgage Rates

30YR Fixed	7.58%	+0.08%	15YR Fixed	7.20%	+0.08%	9/29/2026

Mortgage Rates Rise to 7.58%

moved higher again on Tuesday as the bond market continues recalibrating expectations for Fed policy, economic growth, and inflation. The weakness is especially frustrating considering a fairly large drop in oil prices today, but as we discussed yesterday, rates have a lot more on their mind than oil these days.

Our top-tier 30yr fixed rate index rose from 7.50 to 7.58% today--the highest since November 1st, 2023. In this sense, mortgage rates are doing much better than their often-cited benchmark, the 10yr Treasury yield, which is the highest level since 2007. That's because mortgage rates are directly based on mortgage-backed securities (MBS) and not U.S. Treasuries, and MBS have been outperforming Treasuries relative to 2023's levels.

Today's economic data didn't offer meaningful relief although it wasn't a driver of today's upward pressure. We're seeing more and more evidence that at least some of that pressure has to do with factors such as the quarter-end trading environment which transcends news headlines and economic reports. This doesn't necessarily mean that rate momentum will reverse on October 1st, but the month could at least restore a more logical relationship between typical causes and effects.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Tuesday, Sep 29				
9:00AM	Jul FHFA Home Price Index m/m (%)	0.3%	0.1%	0%
9:00AM	Jul FHFA Home Prices y/y (%) ☆	2.6%		2.3%
9:00AM	Jul CaseShiller 20 mm nsa (%)	0%		0.4%
9:00AM	Jul Case Shiller Home Prices-20 y/y (%) ☆	2.5%	2.2%	2.1%
9:20AM	NY Fed Bill Purchases 1 to 4 months (%)		$3.892 billion	
10:00AM	Aug JOLTs Job Quits (ml) ☆	3.066M		3.056M
10:00AM	Aug USA JOLTS Job Openings (ml) ★	7.079M	7.23M	7.271M
10:00AM	Sep CB Consumer Confidence (%) ☆	81.9	89.2	89.4
11:30AM	6-Week Bill Auction (%)	3.970%		3.870%
1:00PM	Fed Goolsbee Speech ☆			
1:30PM	Fed Musalem Speech ☆			
2:00PM	Fed Williams Speech ☆			
Wednesday, Sep 30				
7:00AM	Sep/25 MBA Purchase Index			154.9
7:00AM	Sep/25 Mortgage Market Index			227.3
7:00AM	Sep/25 MBA Refi Index			611.0
8:15AM	Sep ADP jobs (k) ☆		70K	38K
8:30AM	Aug PCE prices (m/m) (%) ☆		0.4%	0.2%
8:30AM	Q2 GDP (%) ★		1.5%	2.1%
8:30AM	Q2 Corporate profits (%)		8.2%	0.5%
8:30AM	Aug Core PCE (m/m) (%) ★		0.3%	0.2%
8:30AM	Q2 Core PCE Prices QoQ ☆		3.6%	4.4%
8:30AM	Q2 PCE Prices (Q/Q) ☆		5.3%	4.6%
8:30AM	Aug PCE (y/y) (%) ☆		3.7%	3.7%
8:30AM	Q2 GDP Final Sales (%)		2.2%	1.9%
8:30AM	Aug Core PCE (y/y) (%) ★		3.3%	3.3%
9:45AM	Sep Chicago PMI ☆		51.2	47.1
10:30AM	Sep/25 Crude Oil Inventory (ml)			2.969M
1:30PM	Fed Barkin Speech ☆			
5:10PM	Fed Goolsbee Speech ☆			
6:00PM	Fed Kashkari Speech ☆			