

MARKET SUMMARY

Complete Recap of Today's Market Activity

Lower PCE Inflation, So Why Aren't Bonds Happier?

Market Summary: Wednesday, September 30, 2026 - 4:19PM

Core PCE came in at 0.2 vs a 0.3 forecast, and the bond market rallied a bit in response. That said, the unrounded number was .247, which about as high as it could be without rounding up to 0.3. Core annual PCE was 3.0, which was flat versus a downward revision from 3.3. More importantly, that downward revision wasn't mainly about new data collection showing lower prices, but rather a change in PCE methodology. Not all of the methodology change is transparent, but our best estimate is that a vast majority of the 0.3 downward revision was due to methodology changes (the math: 0.361 unrounded drop in y/y core PCE, July vs July, and 0.30 of that drop is in categories that were affected by methodology changes). Bottom line, inflation was actually fairly flat, and supercore (excludes food/energy/housing) was noticeably higher. Add the stronger ADP and GDP numbers into the mix, and bonds don't have a lot to celebrate this morning, so merely holding ground is a victory.



Robert Shamie

Fidelity Residential

<https://fidresi.com>

P: (732) 686-9999 x101

M: (732) 859-2400



Latest Video Analysis



Big Intraday Round Trip For Bonds

MBS & Treasury Markets

UMBS 6.0	97.89	-0.30	10YR	5.301%	+0.056%	9/30/2026 2:14PM EST
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Additional Negative Reprice Risk

Bonds continue selling. 10yr up 4.4bps at 5.29.

MBS down a quarter point on the day and roughly 3/8ths of a point from AM rate sheet times (for earlier lenders).

Most lenders are in reprice risk territory now (more than a few have already pulled the trigger).

ALERT: MBS Already Down a Quarter Point vs 9:30am ET

MBS MORNING: Lower PCE Inflation, So Why Aren't Bonds Happier?

Today's Mortgage Rates

30YR Fixed 7.60% +0.02%

15YR Fixed 7.22% +0.02%

9/30/2026

Mortgage Rates End Day Higher Despite Promising Start

For a few moments this morning, it looked as if rates might buck the recent trend and recover a bit of ground today. The underlying bond market was fairly flat overnight and then managed to improve after this morning's PCE inflation data. But that improvement was short-lived.

Top tier 30yr fixed rates jumped to 7.60%. That's only 0.02% higher than yesterday, but yet another long-term high.

As frustrating as it continues to be, there are no convenient scapegoats for the reversal in terms of intraday news/data. Some small case could be made that the day's economic data wasn't exactly rate-friendly, but the timing of the market movement and indicators elsewhere in the market suggest that's a waste of time.

The only irrefutable way to connect cause and effect is to use broad strokes. The bond market is in the midst of a fairly rapid reassessment of the outlooks for Fed policy, inflation, and the supply/demand equation for government debt. Today may have seen some additional volatility due to the mechanics of the month/quarter-end trading environment, but not to the extent that anyone should expect rates to magically fall just because tomorrow is a new month.

A meaningful drop in rates will require one or more of these things:

- Iran war ending and fuel prices dropping
- economic data weakening
- inflation falling significantly and sustainably

There are other things that can help/hurt, but these are the big three at the moment.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Wednesday, Sep 30				
7:00AM	Sep/25 MBA Purchase Index	148.2		154.9
7:00AM	Sep/25 Mortgage Market Index	213.6		227.3
7:00AM	Sep/25 MBA Refi Index	557.8		611.0
8:15AM	Sep ADP jobs (k) ☆	90K	70K	38K
8:30AM	Aug PCE prices (m/m) (%) ☆	0.3%	0.4%	0.2%
8:30AM	Q2 GDP (%) ★	2.2%	1.5%	2.5%
8:30AM	Q2 Corporate profits (%))	7.7%	8.2%	0.5%
8:30AM	Aug Core PCE (m/m) (%) ★	0.2%	0.3%	0.2%
8:30AM	Q2 Core PCE Prices QoQ ☆	3.3%	3.6%	4.4%
8:30AM	Q2 PCE Prices (Q/Q) ☆	5%	5.3%	4.6%
8:30AM	Aug PCE (y/y) (%) ☆	3.4%	3.7%	3.7%
8:30AM	Q2 GDP Final Sales (%)	2.8%	2.2%	1.9%
8:30AM	Aug Core PCE (y/y) (%) ★	3%	3.3%	3.3%
9:45AM	Sep Chicago PMI ☆	58.8	51.2	47.1
10:30AM	Sep/25 Crude Oil Inventory (ml)	0.922M	-0.3M	2.969M
1:30PM	Fed Barkin Speech ☆			
5:10PM	Fed Goolsbee Speech ☆			
6:00PM	Fed Kashkari Speech ☆			
Thursday, Oct 01				
5:30AM	Sep Challenger layoffs (k)			52.881K
8:30AM	Sep/19 Continued Claims (k) ☆		1730K	1719K
8:30AM	Sep/26 Jobless Claims (k) ☆		200K	197K
9:05AM	Fed Barkin Speech ☆			
9:05AM	Fed Schmid Speech ☆			
9:05AM	Fed Collins Speech ☆			
9:45AM	Sep S&P Global Manuf. PMI ☆		57.0	53.9
10:00AM	Sep ISM Manufacturing Employment			51.2
10:00AM	Sep ISM Mfg Prices Paid ★		72.3	71.1
10:00AM	Sep ISM Manufacturing PMI ★★		55	54.6
10:00AM	Aug Construction spending (%)		0%	-0.5%
3:30PM	Fed Williams Speech ☆			
6:45PM	Fed Logan Speech ☆			