

MARKET SUMMARY

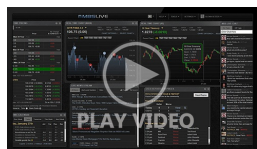
Complete Recap of Today's Market Activity

Thursday's Rally Sets Up For a Very Interesting Friday

Market Summary: Thursday, October 1, 2026 - 7:35PM

Of course we had to have a big, interesting move in the bond market on the day before an economic report also famous for causing big, interesting moves. On such occasions, if Friday delivers on "interesting" it will either negate today's bullishness or add to it in a way that makes today retroactively look like an obvious near-term top in rates. There's no way to know enough about today's rally to conclude that--let alone the unknowable results of the jobs report and the ensuing reaction. All we know: today was a win. If more wins follow, we can talk more about bigger picture supportive ceilings.

Latest Video Analysis



Thursday's Rally Sets Up For an Interesting Friday



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MBS & Treasury Markets

UMBS 6.0	98.03	+0.01	10YR	5.294%	+0.007%	9/30/2026 9:30PM EST
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Bouncing Back Now

In the last alert: "the market reaction is still playing out."

As the "playing out" continues, we're now back to unchanged levels in MBS--several bps stronger than pre-data levels.

Same story in 10yr yields, now up less than 1bp on the day at 5.295.

The 5.34% technical level has brought in bond buyers twice now (once overnight at 3:30am ET and then again just after the 10am mini-sell-off).

MBS MORNING: No Love From October So Far, But The Day's Not Over

ALERT: Losing Ground After ISM Data

Today's Mortgage Rates

30YR Fixed	7.54%	-0.06%	15YR Fixed	7.18%	-0.04%	10/1/2026
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Solid Mid-Day Recovery For Rates

It's a rarity these days, but actually moved lower today by more than a token amount. The average top-tier 30yr fixed rate fell to 7.54% from 7.60% yesterday.

There are multiple potential factors in play when it comes to explaining the underlying bond market rally, but none of them stand out as an obvious singular motivation. For those curious, the list (which has several esoteric factors that we won't be fully explaining here) includes, but is not limited to:

- traders covering bets on higher rates ahead of tomorrow's jobs report
- concerns over European bond market contagion focused on France and Italy
- reassuring comments from Fed speakers helping Fed rate expectations move lower
- technical buying opportunity when Treasury yields hit 5.34% (10yr)

A day like today invites consideration about bigger picture ceilings, but it will need to bring friends in order for that conversation to continue. We are bound to see periodic sighs of relief any time rates move higher as relentlessly as they have in the past month.

Tomorrow's jobs report is as likely as anything to set the tone for the rest of that conversation. If job growth is much stronger than expected, the conversation is over until further notice. If it's much weaker than expected, we'll talk.

Time	Event	Actual	Forecast	Prior
Thursday, Oct 01				
5:30AM	Sep Challenger layoffs (k)	43.281K		52.881K
8:30AM	Sep/19 Continued Claims (k) ☆	1701K	1730K	1719K
8:30AM	Sep/26 Jobless Claims (k) ☆	197K	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 ☆	55.9	57.0	53.9
10:00AM	Sep ISM Manufacturing Employment	52.7		51.2
10:00AM	Sep ISM Mfg Prices Paid ★	77.9	72.3	71.1
10:00AM	Sep ISM Manufacturing PMI ★★	54.5	55	54.6
10:00AM	Aug Construction spending (%)	0.9%	0%	-0.5%
3:30PM	Fed Williams Speech ☆			
6:00PM	Sep Total Vehicle Sales (ml)	16M	16.6M	16.8M
6:45PM	Fed Logan Speech ☆			
Friday, Oct 02				
8:30AM	Sep Average earnings mm (%) ★		0.3%	0.3%
8:30AM	Sep Non Farm Payrolls (k) ★★		90K	162K
8:30AM	Sep Participation Rate ☆			61.6%
8:30AM	Sep Unemployment rate mm (%) ★★		4.1%	4.1%
10:00AM	Aug Factory orders mm (%)		0.1%	0.9%
10:00AM	Fed Logan Speech ☆			