

MARKET SUMMARY

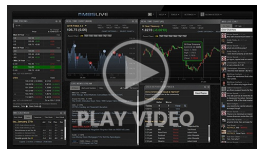
Complete Recap of Today's Market Activity

Weaker Start. No New Reasons

Market Summary: Monday, October 5, 2026 - 3:21PM

Another week begins with the frustrating reality of the bond market selling just because there's no reason to buy. To be fair, 2yr yields are unchanged, but longer-dated yields are several bps higher than Friday afternoon. All this despite oil prices being lower and econ data being in line with expectations. At this point, anyone offering rationale for the movement is forced to craft a narrative that fits that movement. In other words, if yields were plummeting, the average bond analyst wouldn't be harping on a laundry list of reasons that bonds are making the incorrect move.

Latest Video Analysis



Why Did Bonds Sell Despite Weaker Jobs Report?

MBS & Treasury Markets

UMBS 6.0	97.72	-0.34	10YR	5.342%	+0.063%	10/5/2026 1:19PM EST
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Negative Reprice Risk Increasing

Bonds are at their weakest levels with 10yr yields up 5bps and MBS down more than a quarter point. Any lender out with rates before 10:30am ET is already seeing at least an eighth of a point of weakness. As such, the jumpier lenders could already be considering negative reprices.

MBS MORNING: Weaker Start. No New Reasons

ALERT: More Reprice Risk Now



Bill Hills

Founder & Chief Consumer Advocate, Loanmind

[Loanmind.com](https://loanmind.com)

billhills@loanmind.com

Loanmind

Today's Mortgage Rates

30YR Fixed	7.61%	+0.04%	15YR Fixed	7.23%	+0.04%	10/5/2026
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Mortgage Rates End Higher Despite Promising Start

rose 0.04% today to an index value of 7.57% for a top-tier 30yr fixed scenario for the average lender today. That uptick in and of itself isn't especially large, but it's a bit counterintuitive on a day where the hotly anticipated jobs report came in much weaker than expected.

The jobs report has 2 key components: Nonfarm Payrolls (NFP) and the unemployment rate. For most of the time any rate watcher can remember, NFP matters way more. The market still reacts to it (which is why bonds initially improved this morning), but unemployment has arguably taken the lead in terms of accurately capturing labor market trends.

Even then, today's unemployment rate of 4.2% (up from 4.1% last month) shouldn't have been a problem. The catch was that the unrounded numbers made the gap even smaller (4.175% vs 4.141%). Additionally, more people entered the labor force. If the labor force had held steady with last month, today's unemployment rate would have been 3.951%. None of those numbers is particularly troubling for the employment outlook, but 3.951% especially so.

That helped explain why bonds eventually gave back their early gains, along with a rebound in oil prices and easing concerns about European bond markets that had helped U.S. rates move lower yesterday.

When bond gains evaporate, mortgage lenders may be forced to raise rates during the day. This happened on multiple occasions. The average lender was actually slightly lower at first, but ultimately ended higher compared to Thursday's latest levels.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Monday, Oct 05				
9:20AM	NY Fed Bill Purchases 4 to 12 months (%)		\$1.946 billion	
9:45AM	Sep S&P Global Services PMI ☆	58.8	58.7	56.5
9:45AM	Sep S&P Global Composite PMI ☆	58.4	58.4	56.0
10:00AM	Sep ISM N-Mfg PMI ★★	54.9	55	55.4
10:00AM	Sep ISM Biz Activity ☆	56.5		61.7
10:00AM	Sep ISM Services Employment ☆	50.1		47.8
10:00AM	Sep ISM Services Prices ☆	74.0		72.6
10:00AM	Sep ISM Services New Orders ☆	59.8		60.9
Tuesday, Oct 06				
8:15AM	ADP Employment Change Weekly			20K
8:30AM	Aug Trade Gap (bl)		\$-102B	\$-88.6B
9:05AM	Fed Williams Speech ☆			
10:00AM	Oct IBD economic optimism		44.5	45.6
10:45AM	Fed Bowman Speech ☆			
11:30AM	6-Week Bill Auction (%)			3.970%
1:00PM	3-Yr Note Auction (bl)		58	
7:00PM	Fed Logan Speech ☆			