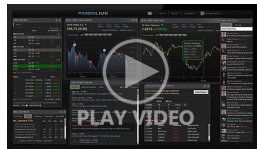


Overnight Adaptive Cruise, Following Oil

Market Summary: Tuesday, October 6, 2026 - 11:37AM

If rate movement were a car, it's been driving pretty recklessly recently, and definitely not keeping good pace with other motorists. But every now and then, we see a break in the craziness. The overnight trading session provided an example. The bond car set its adaptive cruise control to follow the car in front of it (oil prices, in today's case). That's left us just a bit stronger to start, but it's not an inspiring reversal so much as a coincidental mini-correction. 10yr yields unfortunately seem to be hitting resistance at 5.26%, but oil bounced at the same time, and we're not really in love with **technicals** these days. This afternoon's 3yr Treasury auction has a small chance of being mildly interesting (emphasis on small/mild). Bottom line: adrift and waiting for the next big move.

Latest Video Analysis



What Will it Take For a Recovery

MBS & Treasury Markets

UMBS 6.0	97.95	+0.11	10YR	5.289%	-0.018%	10/6/2026 9:34AM EST
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ALERT: Negative Reprice Risk Increasing

MBS MORNING: Weaker Start. No New Reasons



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Today's Mortgage Rates

30YR Fixed 7.56% -0.05%

15YR Fixed 7.22% -0.01%

10/6/2026

Mortgage Rates Inch Up to Another Recent High

The good news is that today's average top-tier 30yr fixed rate ended only 0.01% higher than last week's high (7.61 vs 7.60). If you are only interested in good news, have a great rest of your Monday and you're free to go.

The rest of the news isn't terrible, but we can't classify it as "good." Bonds lost ground today and, as has been the case on many recent occasions, there weren't any new, obvious scapegoats.

On a vast majority of days when rates make a move, there's a decent enough case to be made for some underlying cause. These days however, it's increasingly common to have to fall back on generalities like the following (warning: the list can be esoteric in parts, for those who aren't bond nerds):

- Iran War's implied impact on inflation and Treasury issuance
- Elevated Treasury issuance (fiscal imbalances)
- Elevated corporate bond issuance (competes for investor demand)
- Resilient stocks (competes for investor demand)
- Generally/gradually lower foreign demand (partly driven by tariffs and weaker trade relationships)
- Genuine strength/resilience in economic data
- A Federal Reserve that is willing to use the Fed Funds Rate to fight inflation (not the perfect tool, but it's the tool they have)

None of these bullet points received a big new dose of information today, though that doesn't mean investors can't react to them over time. In addition, the bond market may be somewhat anxious ahead of this week's scheduled Treasury auctions, but we'll cross that bridge if we come to it (it's been a while since a Treasury auction cycle had a legitimately big impact on rate momentum).

If anything, the simplest way to approach the current rate environment is to imagine some line in the sand in terms of rates/yields that will be high enough for investors to view as an unequivocally good entry point to own bonds for long-term return on investment rather than as a tactical or compulsory trade. In 2023, it was when 10yr Treasury yields hit 5%. This time around, it's "something higher."

Time	Event	Actual	Forecast	Prior
Tuesday, Oct 06				
8:15AM	ADP Employment Change Weekly	23.75K		20K
8:30AM	Aug Trade Gap (bl)	\$-105.6B	\$-102B	\$-88.6B
10:00AM	Oct IBD economic optimism	46.8	44.5	45.6
12:00PM	EIA Short-Term Energy Outlook ☆			
1:00PM	3-Yr Note Auction (bl)	58		
Wednesday, Oct 07				
7:00AM	Oct/02 Mortgage Market Index			213.6
7:00AM	Oct/02 MBA Refi Index			557.8
7:00AM	Oct/02 MBA Purchase Index			148.2
10:30AM	Oct/02 Crude Oil Inventory (ml)			0.922M
11:00AM	Sep Consumer Inflation Expectations ☆			3.6%
1:00PM	10-yr Note Auction (bl) ★	39		
2:00PM	FOMC Minutes ★★			
3:00PM	Aug Consumer credit (bl)		\$15B	\$18.06B