

MARKET SUMMARY

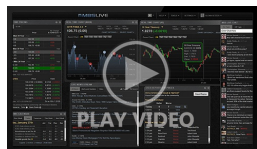
Complete Recap of Today's Market Activity

No Surprise: It Was a Trap

Market Summary: Wednesday, October 7, 2026 - 2:23PM

If there's been a safe bet to make on isolated rally days over the past 2 months, it's that they'll be soon followed by a return to the prevailing trend toward higher rates. Today fills that role with gusto. We hate gusto--this kind anyway. Unfortunately, this kind of gusto is all we have, and there's no convenient, singular explanation even though many will try to tell you there is. We can tell you that it's not oil, Europe, auctions, war headlines, corporate issuance, fiscal concerns, strong economy, or foreign demand. But at any given point in the uptrend, several of these things may be in play (other than "auction concerns"... that's just something someone says on auction day when they don't know why yields are higher).

Latest Video Analysis



Today Was Nice For Bonds



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UMBS 6.0	97.87	-0.19	10YR	5.311%	+0.027%	10/7/2026 12:19PM EST
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Back Into Positive Territory After 10yr Auction

Demand was solid for the 10yr auction, which is typical on days with big yield spikes to long-term highs. 10s had already recovered more than half of today's losses as retail buyers flooded ETFs at 9:30am. The auction reaction got us the rest of the way there.

10yr yields now down nearly 1bp at 5.275. MBS are now unchanged on the day--a recovery of nearly half a point.

- MBS MORNING: No Surprise: It Was a Trap
- MBS MORNING: Overnight Adaptive Cruise, Following Oil

Today's Mortgage Rates

30YR Fixed	7.59%	+0.03%	15YR Fixed	7.22%	+0.00%	10/7/2026
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Mortgage Rates Near 1-Week Lows

actually fell today--something they've done only 7 times since August 25th. While the outright levels remain near the highest since 2003, they're near the lowest in just over a week with top-tier 30yr fixed rates down to 7.56% for the average lender.

What gives? Is this a sign that recent upward momentum is starting to wane? It's too soon to conclude such things, but it is somewhat encouraging that yesterday's long-term high was basically right in line with the high seen on September 30th (7.61 vs 7.60). This is the sort of "double top" behavior that some analysts look for when trying to identify momentum shifts.

Bottom line: it's too soon to start celebrating. But it's better than the average day of late.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Wednesday, Oct 07				
7:00AM	Oct/02 Mortgage Market Index	204.7		213.6
7:00AM	Oct/02 MBA Refi Index	515.8		557.8
7:00AM	Oct/02 MBA Purchase Index	145.1		148.2
10:30AM	Oct/02 Crude Oil Inventory (ml)	-3.186M	1.7M	0.922M
11:00AM	Sep Consumer Inflation Expectations ☆	3.9%		3.6%
1:00PM	10-yr Note Auction (bl) ★	39		
2:00PM	FOMC Minutes ★★			
3:00PM	Aug Consumer credit (bl)	8.28B	\$15B	\$18.06B
Thursday, Oct 08				
8:30AM	Oct/03 Jobless Claims (k) ☆		200K	197K
8:30AM	Sep/26 Continued Claims (k) ☆		1710K	1701K
9:20AM	NY Fed Bill Purchases 1 to 4 months (%)		\$3.891 billion	
1:00PM	30-Yr Bond Auction (bl) ☆	22		
1:40PM	Fed Musalem Speech ☆			