

MARKET SUMMARY

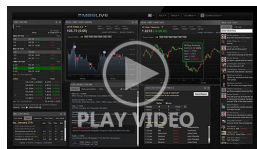
Complete Recap of Today's Market Activity

Full Recovery!

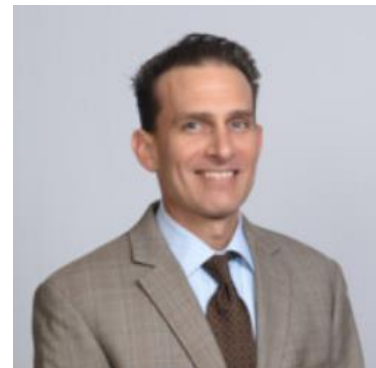
Market Summary: Wednesday, October 7, 2026 - 11:08PM

The patient looked critical this morning with 10yr yields pushing up to new long-term highs just over 5.36%, but by the early afternoon, there was a full recovery. In fact, most of the recovery arrived after 9:30am ET (and before 11am ET). Any time 9:30am kicks off a big move, we think about things like ETF trade flows and other money shuffling in the retail investor space. Oil prices also moved lower at that time, but not enough to justify the swings seen in the bond market. The afternoon's 10yr Treasury auction was well-received (as they often are when yields tag long-term highs). The follow-through helped complete the round trip, ultimately leaving yields about 1bp lower by 3pm ET and MBS a few bps higher.

Latest Video Analysis



Full Recovery



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UMBS 6.0	98.00	-0.04	10YR	5.298%	+0.007%	10/7/2026 9:04PM 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 Started Much Higher But Almost Fully Recovered

It was an exciting day for , and while we technically ended up slightly higher, it could have been much worse. In fact, it WAS much worse earlier in the day, but only for about 30 minutes.

Our daily rate index can be updated throughout the day if mortgage lenders change their rates in sufficient numbers. If we reported only the day's opening rate sheets, top-tier 30yr fixed rates would have been over 7.7%.

Almost immediately after those initial rates came out (around 9:30am ET), the bond market started to recover. By 11am, multiple lenders had already improved. There was an additional round of improvement in the afternoon with almost every lender dropping their rates at least once (many of them more than once) by the end of the day.

The net effect: today's average top-tier 30yr fixed rate rose only 0.03% versus yesterday to 7.59%--safely under recent highs.

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 ☆			