Jobs Data Swings September Rate-Hike Odds as July Lock Volume Cools

MCT's August Lock Volume Indices show July mortgage lock volume fell 6.06% as weak jobs data, rising rates, and Fed uncertainty drove volatility.

SAN DIEGO, CA, UNITED STATES, August 11, 2026 /EINPresswire.com/ -- Mortgage Capital Trading, Inc. (MCT®), the de facto leader in innovative mortgage capital markets technology, announced the release of its August Lock Volume Indices, reflecting July's lock volume data.

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> *Andrew Rhodes, Head of Trading at MCT*

Total lock volume declined 6.06% month-over-month in July, with purchase locks off 6.08%, rate/term refinances down 9.55%, and cash-out refinances easing 3.66%.

The pullback coincided with 30-year rates climbing to their highest level in more than a year, extending a decline that began in June.

Attention has increasingly turned to the Federal Reserve, which held its benchmark rate steady in July. As of August 7, the markets moved to price in a roughly 42% chance of a rate hike in September. The prior day, August 6, markets were pricing in a 55% chance of a hike.

Andrew Rhodes, Head of Trading at MCT, tied the shift to a lighter-touch communication style under new Fed leadership. "The lack of forward guidance is causing more noise in the market," he said. "People are inferring the Fed's next move from the data themselves, and that's a big reason for the market volatility."

The August 7 jobs report also came in unexpectedly weak, with nonfarm payrolls falling by 23,000 against expectations of roughly an 80,000 gain, and May and June revised down by a combined 103,000. Rhodes describes this as a brand new economic paradigm shift the market may be entering, one he's coined "Slackflation."

In his framing, such a shift may bring high growth driven by AI productivity gains, elevated inflation driven by strained energy markets, and rising unemployment driven by AI-related labor disruption, a combination that would differ from classic stagflation, where high unemployment and high inflation appear without high growth.

“Purchase production is still driving the overall average, as steady growth in the economy continues to help support the purchase market,” Rhodes said.
That purchase strength is where MCT’s new Live Rate Lock Index adds additional clarity with a daily weighted-average measure of locked note rates by loan purpose. “We’re updating the Rate Lock Index incrementally every day, sourced through a diverse set of lenders nationwide, so it reflects where the market actually is,” said Rhodes.

In July, note rates ranged from 6.64% on purchase to 6.98% on cash-out, with builder locks near 5.62% against 6.78% for non-builders. Rhodes pointed to the builder gap as a sign of homebuilders’ leverage in a purchase-led market he described: “You can see how advantageous it is for that type of lender.”
MCT remains committed to delivering expert guidance and data-driven insights.

MCT's Lock Volume Indices present a snapshot of rate lock volume activity in the residential mortgage industry broken out by lock type (purchase, rate/term refinance, and cash out refinance) across a broad diversity of lenders (e.g., sizes, products/services offered, business models) from MCT's national footprint.

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