

MARKET SUMMARY

Complete Recap of Today's Market Activity

Incidental Weakness Ahead of CPI Data

Market Summary: Tuesday, January 13, 2026 - 1:27AM

Bonds were marginally weaker on Monday with no obvious scapegoats in sight. Some reporters pointed toward Fed Chair Powell's criminal inquiry as rattling the market, but bonds were effectively unchanged in the 1pm hour after a well-received 10yr Treasury auction. More importantly, there was no clear correlation between the overnight news and the overnight market movement. Volume was the lowest in several days--typical for a data-free Monday. MBS underperformed, but only because they're still range-finding after last week's massive outperformance. Tomorrow morning's trading deserves much more focus than anything seen today. CPI will be out at 8:30am ET and it is expected to be a more tradeable installment of the data compared to the last release (which proved to be questionable due to data collection constraints surrounding the shutdown/reopening timeline).

Market Movement Recap

- 08:54 AM Moderately weaker overnight but holding inside the range. 10yr up 1.9bps at 4.19. MBS down an eighth of a point.
- 11:56 AM No reaction to 3yr Treasury auction. 10yr up less than 1bp at 4.18 and MBS down just over an eighth of a point.
- 02:49 PM MBS down 9 ticks (.28) and 10yr up 1.5bps at 4.186

Latest Video Analysis



Incidental Weakness Ahead of CPI Data



MONEYHOUSE

Chris Munson

SVP and Managing Director
US Sales and Operations,
The Money House

P: (407) 255-2047

M: (704) 957-5053

8751 Commodity Circle Ste 17
Orlando FL 32819



UMBS 5.0 100.06 **-0.06** | 10YR 4.196% **+0.018%** 1/13/2026 1:26AM EST

Additional Negative Reprice Risk

While the broader bond market is relatively stable, MBS continue to slide this afternoon. 5.0 coupons are down more than 3/8ths on the day and nearly a quarter point from the AM price plateau.

Lenders who have not yet repriced for the worse are increasingly likely to do so. Those who don't will be pricing with headwinds in the morning.

 **ALERT:** Negative Reprice Risk Increasing

 **MBS MORNING:** Bond Market Only Marginally Interested in Powell Drama For Now

Today's Mortgage Rates

30YR Fixed 6.01% **-0.05%** | 15YR Fixed 5.55% **-0.04%** 1/12/2026

Mortgage Rates Inch Higher From 3 Year Lows

are either higher or lower today, depending on the lender in question. Some lenders raised rates on Friday afternoon in response to weakness in the bond market (lenders set rates based on the trading levels of MBS, the bonds that underlie the mortgage market). Those lenders are actually slightly lower today.

Lenders who didn't raise rates on Friday afternoon are slightly higher today.

In all cases, apart from Friday morning, today's rates remain well below anything seen for nearly 3 years. This is notable considering 10yr are near 4 month highs and more than 0.20% higher than the lower end of the range during that time.

One reason for mortgage rates outperforming the 10yr Treasury is the fact that the 10yr isn't always the best indicator for mortgages. In recent years, a 5yr Treasury has behaved more like mortgage rates in terms of day to day movement.

An even bigger reason for mortgage outperformance is last week's announcement regarding Fannie/Freddie purchases of MBS. This is the news that sent rates surging lower on Friday. The market is continuing to hone in on a new trading range for MBS today, but the bulk of the initial volatility seems to have passed.

Time	Event	Actual	Forecast	Prior
Tuesday, Jan 13				
12:00AM	Roll Date - UMBS 30YR			
6:00AM	Dec NFIB Business Optimism Index		99.5	99.0
8:15AM	ADP Employment Change Weekly ★★			11.5K
8:30AM	Dec y/y Headline CPI (%) ☆		2.7%	2.7%
8:30AM	Dec m/m Headline CPI (%) ★		0.3%	
8:30AM	Dec y/y CORE CPI (%) ★★		2.7%	2.6%
8:30AM	Dec m/m CORE CPI (%) ★★		0.3%	
10:10AM	Jan IBD economic optimism		48.2	47.9
1:00PM	30-Yr Bond Auction (bl) ☆	22		
1:00PM	30-Year Bond Auction ☆			4.773%
2:00PM	Dec Federal budget (bl)			\$-173B
Wednesday, Jan 14				
7:00AM	Jan/09 MBA Refi Index			937
7:00AM	Jan/09 MBA Purchase Index			159.3
7:00AM	Jan/09 Mortgage Market Index			270.8
8:30AM	Oct PPI YoY ★			2.7%
8:30AM	Oct Core Producer Prices MM (%) ★			0.1%
8:30AM	Oct Producer Prices (%) ★			0.3%
8:30AM	Nov Retail Sales (%) ★★		0.4%	0%
8:30AM	Nov Retail Sales Control Group MoM ★★		0.3%	0.8%
10:00AM	Oct Business Inventories (%) ☆		0.3%	0.2%
10:00AM	Dec Existing home sales (ml) ☆		4.2M	4.13M
10:00AM	Dec Exist. home sales % chg (%) ☆			0.5%
10:30AM	Jan/09 Crude Oil Inventory (ml)			-3.831M

Recent Housing News

- Highest Existing Home Sales in 8 Months But Don't Get Excited
- Three Straight Months of Improvement in Builder Confidence, But There's a Catch
- Mortgage Apps Still Strong vs Last Year, But Down Slightly Last Week

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Mortgage Rates Back in The 5's. Here's Why

This week's potential volatility was supposed to be all about the big jobs report, but an unexpected headline completely stole the show. On Thursday afternoon, Trump announced he would be directing his representatives to buy \$200bln in mortgage-backed securities (MBS). These are the bonds that directly impact mortgage rates and such a level of buying would easily push rates lower. The initia...

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