

MARKET SUMMARY

Complete Recap of Today's Market Activity

Mixed, But Modestly Stronger Reaction to CPI

Market Summary: Tuesday, January 13, 2026 - 2:33PM

CPI came out just a bit lower than expected with the monthly core at 0.2 vs 0.3 and annual core at 2.6 vs 2.7. The unrounded numbers were closer to forecasts and headline inflation was unchanged from last month. All that to say that there was no major directional suggestion for rates in today's data. It's best use is to confirm that inflation is roughly where we left it before data collection got wonky surrounding the shutdown. Bonds are definitely stronger than they were before the data, but the gains have been choppy and fairly small so far.

Market Movement Recap

- 08:32 AM Stronger after CPI data. MBS up just over a quarter point and 10yr down 1.6bps at 4.16
- 10:50 AM Choppy after initial rally but still slightly stronger. MBS up 5 ticks (.16) and 10yr down half a bp at 4.173
- 01:15 PM 30yr auction 4.825 vs 4.833 f'cast. Bid to cover 2.42 vs 2.38 avg. No major reaction. 10yr down 1.1bps at 4.167 and MBS off weakest levels, up 5 ticks (.16) on the day.

Latest Video Analysis



Incidental Weakness Ahead of CPI Data



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UMBS 5.0 100.17 **+0.21** | 10YR 4.172% **-0.006%** 1/12/2026 7:33PM EST

MBS at Weakest Levels; Reprice Risk Varies

10yr yields have inched into negative territory, up half a bp at 4.183 but not any higher than they were at the day's previous highs.

MBS have sold more steadily and are now at the lows of the day. While prices are technically higher due to , 5.0 coupons are down more than an eighth of a point from the AM highs.

That said, if your rate sheet is worse than yesterday's, reprice risk may be limited. If it's stronger than yesterday, reprices are possible.

 **MBS MORNING:** Mixed, But Modestly Stronger Reaction to CPI

 **UPDATE:** First Move is Stronger After CPI

Today's Mortgage Rates

30YR Fixed 6.07% **+0.06%** | 15YR Fixed 5.59% **+0.04%** 1/13/2026

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	99.5	99.0
8:15AM	ADP Employment Change Weekly ★★	11.75K		11.5K
8:30AM	Dec y/y Headline CPI (%) ☆	2.7%	2.7%	2.7%
8:30AM	Dec m/m Headline CPI (%) ★	0.3%	0.3%	
8:30AM	Dec y/y CORE CPI (%) ★★	2.6%	2.7%	2.6%
8:30AM	Dec m/m CORE CPI (%) ★★	0.2%	0.3%	
10:00AM	Jan IBD economic optimism	47.2	48.2	47.9
1:00PM	30-Yr Bond Auction (bl) ☆	22		
1:00PM	30-Year Bond Auction ☆	4.825%		4.773%
2:00PM	Dec Federal budget (bl)	\$-145B	\$-150B	\$-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	Nov PPI YoY ☆		2.7%	
8:30AM	Nov Core Producer Prices MM (%) ☆		0.2%	
8:30AM	Nov Core Producer Prices YY (%) ☆		2.7%	
8:30AM	Nov Producer Prices (%) ☆		0.3%	
8:30AM	Nov Retail Sales (%) ★		0.4%	0%
8:30AM	Nov Retail Sales Control Group MoM ★		0.4%	0.8%
8:30AM	Oct PPI YoY ★			2.7%
8:30AM	Oct Core Producer Prices MM (%) ★			0.1%
8:30AM	Oct Producer Prices (%) ★			0.3%
10:00AM	Oct Business Inventories (%) ☆		0.2%	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)		-2.2M	-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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