MARKET SUMMARY

Complete Recap of Today's Market Activity

Data-Driven Weakness

Market Summary: Friday, January 16, 2026 - 9:39AM

It was a reasonably straightforward day for the bond market. Trading was flat overnight, then weaker after the 8:30am Jobless Claims data. That report is hit and miss as a market mover, but a sub-200k print without any recent seasonal spike is certainly worth a few bps of weakness. Impacts were most notable in Fed Funds Rate expectations, which have now fully eliminated any possibility for a January cut and lowered the probability of a March cut from over 40% last week to under 20% today. In the bigger picture, longer-term rates remain squarely range-bound and MBS remain broken out the top of their comparable range thanks to GSE purchases.

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MBSLIVE

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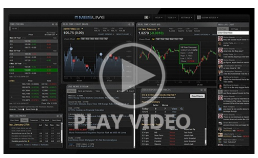

Data-Driven Weakness

MBS & Treasury Markets

UMBS 5.0	100.16	-0.02	10YR	4.190%	+0.017%	1/16/2026 9:38AM EST

MBS Down an Eighth Since 9:30am ET

10yr yields are up 2.7bps on the day at 4.159 and MBS are down 6 ticks (.19) in total. Current levels for MBS aren't much lower than they were in the immediate wake of this morning's jobless claims data, but the issue is the rebound that took place heading into 9:30am.

Since those 9:30am highs, MBS are down another eighth of a point. Because some lenders released rate sheets around that time, this introduces a modicum of negative reprice risk for the jumpier among them.

Counterpoint: MBS improved yesterday but rate sheets didn't. This could suggest some level of "cushion" for lenders to absorb MBS losses without needing to reprice as urgently as normal.

MBS MORNING: Stronger Jobless Claims Leads to Early Selling

MBS MORNING: Today's Data is Proving Less Tradeable, But Doing No Harm

Today's Mortgage Rates

30YR Fixed	6.07%	+0.03%	15YR Fixed	5.60%	+0.03%	1/16/2026

Mortgage Rates Higher For Some Lenders and Lower For Others

moved modestly lower for the average lender today, but higher for others. The distinction is whether the lender in question made a late-day adjustment yesterday afternoon.

At the time, the underlying market for mortgage bonds was improving somewhat sharply. This prompted several lenders to drop rates before the end of business. Those lenders had to bump rates back up this morning as the bond market was in weaker territory this morning.

Other lenders--those who didn't make any changes yesterday afternoon--were able to nudge rates modestly lower today as this morning's bond market levels were a bit better than yesterday morning's.

In the bigger picture, the average lender is still very close to 3-year lows.

[thirtyyearmortgagerates]

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Friday, Jan 16				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
9:15AM	Dec Industrial Production (%) ☆	0.4%	0.1%	0.2%
10:00AM	Jan NAHB housing market indx	37	40	39
Monday, Jan 19				
12:00AM	Martin Luther King Jr. Day ★★			

Recent Housing News

- Existing-Home Sales Jump 5.1% in December, Strongest Pace in Nearly Three Years
- Bond Buying Announcement Leads Surge in Mortgage Apps
- Highest Existing Home Sales in 8 Months But Don't Get Excited

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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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