

Bonds Erase Most of The Overnight Weakness

Market Summary: Friday, January 23, 2026 - 8:49AM

Thursday could be viewed two ways. On one hand, bonds lost ground early and were unable to recover it by the 3pm close. On the other hand, there was a decent rally on Wednesday that set a high bar for additional gains. In other words, it's a victory to merely hold close to yesterday's closing levels. Data passed without a trace, either because it was stale, near consensus, or both. There was better buying in the afternoon--a fact that's consistent with our observation that the EU session had an impact today. The afternoon bond market recovery commenced when EU markets closed. Correlation, yes, but not necessarily causality.



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MBS & Treasury Markets

UMBS 5.0	99.92	+0.03	10YR	4.240%	-0.002%	1/23/2026 8:48AM EST
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No Reaction to Early Data, But Slightly Weaker Overnight

Bonds found a bid along with stocks yesterday afternoon after Trump announced a "framework of a deal" on Greenland. Markets were much less interested in U.S. access and more concerned with pausing the more immediate market-related implications (new tariffs and changes in foreign demand for Treasuries). This notion was reinforced this morning as there was no reaction at all to new comments saying the U.S. would have "total access" to Greenland with "no time limit."

The early round of econ data also failed to inspire, although that's no surprise given the stale nature of GDP and generally limited impact of weekly jobless claims (in addition to the fact that jobless claims are sticking to the same script seen in the past 2 years).

All that remains is the PCE inflation data at 10am ET, but it should be noted this is for the months of Oct/Nov and that we've already received CPI/PPI inflation reports for December. Data aside, yields have been trending gradually higher in concert with European markets, but Treasuries still retain a majority of yesterday's gains.

MBS MORNING: Calmer Day so Far, But No Relief From Recent Rout

ALERT: Down by Just Over an Eighth From Highs

Today's Mortgage Rates

30YR Fixed	6.19%	-0.01%	15YR Fixed	5.76%	+0.00%	1/22/2026
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Another Micro-Victory For Mortgage Rates

may not be as low as they were before the weekend's geopolitical headlines, but they've moved just a hair lower on each of the past two days. Specifically, our daily rate index is down to 6.19% after starting the week at 6.21% on Tuesday (up from 6.07% last Friday).

While there was a large glut of seemingly important economic data today, it didn't have a noticeable impact on the bond market. Part of the reason is that the data in question is very stale at this point. The most recent monthly data covered November and the GDP release was for Q3 (July-Sep). Timeliness aside, the data was also very close to forecasts.

There's even less on the calendar tomorrow, but markets remain susceptible to geopolitical risk and any headlines that speak to the fiscal outlook (tariffs, spending, etc).

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Friday, Jan 23				
9:45AM	Jan S&P Global Services PMI ☆	52.5	52.8	52.5
9:45AM	Jan S&P Global Manuf. PMI ☆	51.9	52	51.8
9:45AM	Jan S&P Global Composite PMI ☆	52.8		52.7
10:00AM	Jan Consumer Sentiment (ip) ☆	56.4	54.0	52.9
10:00AM	Jan Sentiment: 1y Inflation (%) ☆	4%	4.2%	4.2%
10:00AM	Jan Sentiment: 5y Inflation (%) ☆	3.3%	3.4%	3.2%
10:00AM	Jan U Mich conditions ☆	55.4	52.4	50.4
Monday, Jan 26				
8:30AM	Nov Durables ex-transport (%)			0.2%
8:30AM	Nov Durables ex-defense mm (%)			-1.5%
8:30AM	Nov Core CapEx (%) ☆			0.5%
8:30AM	Nov Durable goods (%) ☆		0.5%	-2.2%
1:00PM	2-Yr Note Auction (bl)		69	

Recent Housing News

- Builder Sentiment Survey Not Yet Reflecting Recent Rate Changes
- Existing-Home Sales Jump 5.1% in December, Strongest Pace in Nearly Three Years
- Bond Buying Announcement Leads Surge in Mortgage Apps

Mortgage Rates Actually Moved a Bit Higher This Week, But Remain Near Multi-Year Lows

First things first: if we take the last 5 days out of the equation, today's mortgage rates are still the lowest since early 2023. But they spent most of those last 5 days moving up from even lower levels. The changes are small in the big picture, but the distinction is important considering widespread reporting based on Freddie Mac's weekly rate survey. Freddie's data comes out on Thursdays and...

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