

MARKET SUMMARY

Complete Recap of Today's Market Activity

Half-Hearted Correction Continues

Market Summary: Wednesday, February 18, 2026 - 5:45PM

Don't call it a correction. Yields may have rallied 30bps in just over a week and apparently bounced almost perfectly at 4% (10yr), but they haven't exactly done much over the past 2 days. It's just as fair to say things are "sideways and waiting for guidance," but the cautious approach is to respect the almost-too-obvious technical patterns in play since July. Specifically, bonds have rallied 25-30bps and then consolidated toward slightly higher levels on multiple occasions. This could be the beginning of another similar pattern, but anything is possible if data is gloomy over the next 2 days (especially Friday). Today's data was modestly unfriendly with core durable goods at 0.6 vs 0.4 and a lackluster 20yr bond auction (not typically a market mover, but added some pressure today).

Market Movement Recap

- 08:33 AM Roughly unchanged overnight and no major reaction to 830am data. MBS unchanged and 10yr up half a bp at 4.064
- 01:21 PM Slightly weaker after 20yr auction. 10yr yields up 2.2bps at 4.082. MBS unchanged after being up 3 ticks (.09).
- 02:09 PM zero reaction to Fed Minutes. MBS unchanged and 10yr up 2bps at 4.081

Latest Video Analysis



Half-Hearted Correction Continues



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UMBS 5.0	100.25	-0.03	10YR	4.077%	+0.018%	2/18/2026 5:44PM EST
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Key Technical Level, But Does it Matter?

Any time the 10yr Treasury yield approaches--but fails to break--a number ending in .50 or .00, the analytical community is guaranteed to be discussing the technical significance of those levels. In the big picture, technical bounces can be anywhere remotely close to the big round numbers. As such, we are arguably once again seeing resistance at 4.00%. But does it matter? Arguably not. It's been resistance frequently since September in addition to being one of the most frequent pivot points since late 2022. Today's econ data wasn't up to the task of prompting a break. The same will likely be true of the afternoon's Fed Minutes. Absent new bullish motivations, it makes sense for yields to remain range-bound.

-  **ALERT:** Weakest Levels of The Day
-  **MBS MORNING:** Mostly Holding Last Week's Impressive Gains

Today's Mortgage Rates

30YR Fixed	6.05%	+0.01%	15YR Fixed	5.62%	+0.01%	2/18/2026
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Mortgage Rates Tick Microscopically Higher

at the average lender moved up by 0.01% today--the smallest increment measured by the MND daily rate index. This means that most borrowers won't see a meaningful different in today's rates vs yesterday's. That's welcome news considering yesterday's rates were tied for the second best day in more than 3 years.

In the bigger picture, the absence of improvement over the past 2 days may suggest that recent bull run in rates is pausing for reflection, or at least until and unless certain economic reports justify renewed momentum. On that note, this week's nearest examples of such reports will almost all be released on Friday morning, but they're notably less potent than the data seen over the past 2 weeks.

Time	Event	Actual	Forecast	Prior
Wednesday, Feb 18				
12:00AM	Roll Date - Ginnie Mae 30YR			
7:00AM	Feb/13 MBA Purchase Index	157.1		161.5
7:00AM	Feb/13 MBA Refi Index	1375.9		1284.6
7:00AM	Feb/13 Mortgage Market Index	339.0		329.9
8:30AM	Dec Housing starts number mm (ml)	1.404M	1.33M	1.322M
8:30AM	Dec Building Permits (ml)	1.448M	1.40M	1.388M
8:30AM	Dec Durable goods (%) ☆	-1.4%	-2%	5.3%
8:30AM	Dec Core CapEx (%) ☆	0.6%	0.4%	0.7%
9:15AM	Jan Industrial Production (%) ☆	0.7%	0.4%	0.4%
1:00PM	20-Yr Bond Auction (bl)	16		
1:00PM	Fed Bowman Speech ☆			
2:00PM	FOMC Minutes ★★			
Thursday, Feb 19				
8:20AM	Fed Bostic Speech ☆			
8:30AM	Dec Trade Gap (bl)		\$-56B	\$-56.8B
8:30AM	Feb Philly Fed Prices Paid			46.90
8:30AM	Feb/07 Continued Claims (k) ☆			1862K
8:30AM	Feb/14 Jobless Claims (k) ☆		225K	227K
8:30AM	Feb Philly Fed Business Index ☆		9.3	12.6
8:30AM	Fed Bowman Speech ☆			
9:00AM	Fed Kashkari Speech ☆			
10:00AM	Jan CB Leading Index MoM (%)			
10:00AM	Dec CB Leading Index MoM (%)			-0.3%
10:00AM	Jan Pending Home Sales (%) ☆		2.6%	-9.3%
12:00PM	Feb/13 Crude Oil Inventory (ml)		2.3M	8.53M
1:00PM	30-Yr Bond Auction (bl) ☆		9	

Recent Housing News

- Residential Construction Finds Footing in December
- Higher Refi Demand Buys Mortgage Apps as Rates Hit Lows
- Builder Confidence Remains Subdued

Mortgage Rates Back Near 3-Year Lows After Defying Jobs Data

The bond market drives changes in interest rates. Among bond traders, it's no secret that the Bureau of Labor Statistics' (BLS) jobs report is the most consequential monthly economic data. But this time around, the reaction defied expectations. Specifically, if you were to tell market participants the results ahead of time (i.e. 130k jobs created versus a forecast of 70k, and a 4.3% unemploymen...

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