

MARKET SUMMARY

Complete Recap of Today's Market Activity

Opening Salvo of Data Fails to Inspire

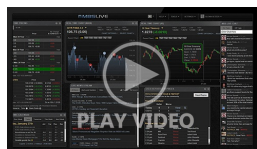
Market Summary: Friday, February 20, 2026 - 12:41PM

At the time of this writing, there are still a few econ reports left on deck, but the big ones are out. GDP missed big (1.4 vs 3.0), but largely for non-economic reasons. For instance, the BEA noted an entire 1% of the decline from the 4.4% reading in Q3 was due to the way it counts federal worker labor during the shutdown. Most of the rest is due to late-breaking changes in the trade gap reported yesterday. The more economically indicative metrics (like real sales to domestic purchasers) suggest an uneventful sideways drift. Meanwhile, monthly PCE inflation came in a bit hotter than expected in December. Bonds had no immediate reaction and are currently roughly unchanged.

Market Movement Recap

- 08:49 AM Slightly stronger overnight and a tiny bit of push-back after data. MBS unchanged and 10yr down 1bp at 4.066
- 10:13 AM Weaker after SCOTUS ruling on tariffs. MBS down 2 ticks (.06) and 10yr up 2bps at 4.097

Latest Video Analysis



Bonds Punt. Focus Turns to Friday's Econ Data



Dan Frio

Sr Mortgage Loan Officer,
The Frio Team Powered by
Peoples Bank & Trust

www.TheRateUpdate.com

P: (844) 775-5626

M: (630) 360-3490

524 Main St
Hazard ky 41701
246527



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UMBS 5.0	100.25	-0.03	10YR	4.089%	+0.013%	2/20/2026 12:40PM EST
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Bonds Selling as Supreme Court Strikes Down Tariffs

The newswire: TRUMP’S GLOBAL TARIFFS STRUCK DOWN BY US SUPREME COURT

The initial reaction saw quick selling in bonds with 10yr yields rising from 4.07 to 4.10 instantly. There's been some push back already though and levels will likely be different by the time you read this (currently up 1.2bps at 4.088).

MBS are down an eighth of a point, but only 2 ticks (.06) since this news. As such, negative reprice risk is limited unless the selling picks back up.

MBS MORNING: Opening Salvo of Data Fails to Inspire

MBS MORNING: Accidental Clairvoyance (Not Really...)

Today's Mortgage Rates

30YR Fixed	6.04%	-0.01%	15YR Fixed	5.60%	-0.02%	2/20/2026
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Mortgage Rates Hold Flat on Thursday Despite Lower Weekly Average

For the average lender, top-tier 30yr fixed were perfectly unchanged compared to yesterday. This keeps them right in line with the lowest levels in more than 3 years. That said, if we're splitting hairs, better rates were available 4 days in the past month and a half (Jan 9, Jan 12, Feb 13, Feb 17).

So why is it that there are news headlines today claiming that rates hit their lowest levels in more than 3 years? Simply put, those stories are based on weekly survey data from Freddie Mac. Freddie isn't technically wrong, but you have to understand their methodology.

Freddie's survey is an average of the rates available from last Thursday through yesterday. Indeed, if you use the numbers from our daily rate index on those days, the average is the lowest in 3 years, even if today's rates are a hair higher than several recent days.

Time	Event	Actual	Forecast	Prior
Friday, Feb 20				
8:30AM	Q4 GDP Final Sales (%)	1.2%		4.5%
8:30AM	Q4 Core PCE Prices QoQ ☆	2.7%	2.6%	2.9%
8:30AM	Q4 PCE Prices (Q/Q) ☆	2.9%	2.8%	2.8%
8:30AM	Dec PCE prices (m/m) (%) ☆	0.4%	0.3%	0.2%
8:30AM	Dec PCE (y/y) (%) ☆	2.9%	2.8%	2.8%
8:30AM	Q4 GDP (%) ★	1.4%	3%	4.4%
8:30AM	Dec Core PCE (y/y) (%) ★	3%	2.9%	2.8%
8:30AM	Dec Core PCE (m/m) (%) ★	0.4%	0.3%	0.2%
9:45AM	Feb S&P Global Composite PMI ☆	52.3		53.0
9:45AM	Feb S&P Global Services PMI ☆	52.3	53	52.7
9:45AM	Feb S&P Global Manuf. PMI ☆	51.2	52.6	52.4
9:45AM	Fed Bostic Speech ☆			
10:00AM	Dec New Home Sales (%) (%)	-1.7%		15.5%
10:00AM	Feb Consumer Sentiment (ip) ☆	56.6	57.3	56.4
10:00AM	Feb Sentiment: 1y Inflation (%) ☆	3.4%	3.5%	4%
10:00AM	Feb U Mich conditions ☆	56.6	57.7	55.4
10:00AM	Feb Sentiment: 5y Inflation (%) ☆	3.3%	3.4%	3.3%
10:00AM	Dec New Home Sales (ml) ☆	0.745M	0.73M	
3:30PM	Fed Musalem Speech ☆			
Monday, Feb 23				
8:00AM	Fed Waller Speech ☆			
10:00AM	Dec Factory orders mm (%)		1.1%	2.7%

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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