Opening Salvo of Data Fails to Inspire

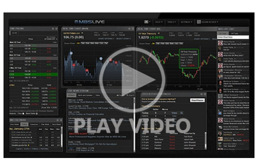
Market Summary: Friday, February 20, 2026 - 4:33PM

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
04:30 PM	More than reasonably resilient in the PM hours. MBS now unchanged and 10yr up only 1bp at 4.085

Latest Video Analysis



Bonds Punt. Focus Turns to Friday's Econ Data

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MBS & Treasury Markets

UMBS 5.0	100.30	+0.02	10YR	4.067%	-0.009%	2/20/2026 4:32PM EST

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

Mortgage Rates End Week at Lows

Bonds dictate and bonds experienced a bit of volatility this morning in response to the Supreme Court ruling on tariffs. The initial impact was negative for rates with Treasury yields moving higher and the prices for mortgage-backed securities moving lower. But the reaction was well-contained and bonds ended up erasing most of it by the afternoon.

In addition, bonds had improved steadily yesterday, but not so quickly that mortgage lenders updated yesterday's rate offerings. As such, the average lender had a small cushion to work with today, and it was more than enough to offset this morning's bond market volatility.

All that to say that the average lender actually moved a hair **lower.** The final number is in line with the lowest levels of the week--also the 2nd lowest level of the past 3 years behind January 9th (and not far behind at that).

Economic Calendar

Last Week | This Week | Next Week

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

- New Home Sales Remain Near Recent Highs
- Pending Sales Dip as Affordability Gains Fail to Spark Demand
- Residential Construction Finds Footing in December

Read My Latest Newsletter

Rates at 3-Year Lows Despite Market Volatility After Tariff Ruling

In addition to being shortened by Monday's holiday, this week's economic data didn't spark any big reactions in the bond market. Even after The Supreme Court ruled against certain recently-applied tariffs, rates managed to end the week right in line with the lowest levels in more than 3 years. The bond market dictates interest rates, and the tariff news was the biggest event of the week fo...

Mortgage Calculators

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- Rent vs. Buy
- Blended Rate