Starting Out Under 4.0% Despite Hotter PPI

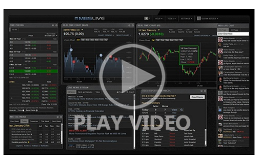
Market Summary: Friday, February 27, 2026 - 2:23PM

We'd already discussed the fact that PPI has fallen by the wayside as a relevant market mover for bonds despite one or two instances of relevance nearly 2 years ago when bonds were desperate for any hints of change. Today's PPI results and the ensuing bond market movement leave no doubt as to the relevance of this data. Spoiler alert: there's basically no relevance at the moment.

Market Movement Recap

08:34 AM	No reaction despite balmy PPI. MNS up 1 tick (.03) and 10yr down 2.2bps at 3.982
01:03 PM	MBS up 2 ticks (.06) and 10yhr down 3.5bps at 3.969

Latest Video Analysis



Knockin' on 10yr Floor

John "Demo" Lender
VP of Lending, Demo Mortgage Co.
mbslive.net
P: (704) 555-1212
M: (407) 555-1234
10014 Normal Blvd.
Charlotte NC 28044
NMLS: 123456

LOREM IPSUM
YOUR COMPANY SLOGAN

Christina "Demo" Realtor
Managing Partner, Real Estate Company, LLC.
mbslive.net
P: (704) 555-1212
M: (980) 555-1212
social+test@mbslive.net
12954 S. Broad St.
Charlotte NC 28031

REAL ESTATE

MBS & Treasury Markets

UMBS 5.0	100.41	+0.03	10YR	4.002%	-0.002%	2/26/2026 7:23PM EST

Starting Out Under 4.0% Despite Hotter PPI

We'd already discussed the fact that PPI has fallen by the wayside as a relevant market mover for bonds despite one or two instances of relevance nearly 2 years ago when bonds were desperate for any hints of change. Today's PPI results and the ensuing bond market movement leave no doubt as to the relevance of this data. Spoiler alert: there's basically no relevance at the moment.

The following chart expresses some uncertainty in labeling this morning's small bump in yields as a reaction to PPI. Reasons being: it didn't begin until 8:38am and the volume reaction happened from 8:30-8:34am. Splitting hairs though... Even if that was the reaction, it was small and quickly erased.

It's also good to remember how volatile PPI is as a series, and how low volatility has been recently in the bigger picture.

MBS MORNING: Back to The Stronger End of The Range

ALERT: MBS Down an Eighth From Highs

Today's Mortgage Rates

30YR Fixed	5.99%	-0.01%	15YR Fixed	5.60%	-0.01%	2/27/2026

Mortgage Rates End Week at Best Levels

At this point, it is getting a bit repetitive to bring up "the lowest rates in more than 3 years"--something that was officially the case twice this week. If we give rates credit for stably holding these long-term lows (and we should!), then every day this week has been the best in more than 3 years.

Here's the specific record: at no other time in the history of our rate index have rates begun a week at long-term lows and experienced so little volatility. There was a somewhat similar stretch of 4 days in March 2019, but rates had only hit a 2 year low at the time.

On average, when rates hit the lowest levels in more than a year, the next 4 business days see a range of 0.07-0.08%. That makes this week's 0.01% range truly special.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Friday, Feb 27				
8:30AM	Jan PPI m/m (%) ☆	0.5%	0.3%	0.5%
8:30AM	Jan Core PPI m/m (%) ☆	0.8%	0.3%	0.7%
8:30AM	Jan PPI y/y ☆	2.9%	2.6%	3%
8:30AM	Jan Core PPI y/y (%) ☆	3.6%	3%	3.3%
9:45AM	Feb Chicago PMI ☆	57.7	52.8	54.0
10:00AM	Nov Construction spending (%)	-0.2%	0.2%	0.5%
10:00AM	Dec Construction spending (%)	0.3%	0.3%	-0.2%
Monday, Mar 02				
9:45AM	Feb S&P Global Manuf. PMI ☆		51.2	52.4
10:00AM	Feb ISM Manufacturing Employment			48.1
10:00AM	Feb ISM Mfg Prices Paid ★		59.5	59.0
10:00AM	Feb ISM Manufacturing PMI ★★		52.3	52.6

Recent Housing News

- Mortgage Demand Calm Before The Storm?
- Home Prices Still Rising, But Pace Remains Subdued
- New Home Sales Remain Near Recent Highs

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

- Mortgage Payment w Amortization
- Loan Comparison
- Advanced Loan Comparison
- Early Payoff
- Should I Refinance?
- Rent vs. Buy
- Blended Rate