MARKET SUMMARY

Complete Recap of Today's Market Activity

Bonds Weren't Prepared For Fed's Inflation Fears

Market Summary: Thursday, March 19, 2026 - 6:38AM

If anything, you'd think the market would have been pricing in a hawkish Fed day, given the run up in energy prices. But Powell threw reporters a curve ball during the press conference and instead placed the focus on other categories of inflation that were under the microscope before the energy price spike (like core goods and non-housing services), saying there'd been less progress than hoped. The takeaway was that rate cuts are on hold for the foreseeable future. The market agrees, as it is now pricing the next rate cut at more than a year in the future. Bonds were already losing ground on oil price spikes (and PPI to a lesser extent). The net effect took yields back near recent highs and hit MBS for almost half a point.

Brendon Garcia

Broker/Owner,
Collaborative Capital

https://brendongarcia.com/

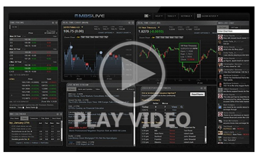
P: (805) 253-2053

brendon@brendongarcia.com

Westlake Village, California

NMLS# 278724
NMLS# 2385760

Latest Video Analysis



Powell Throws Curve Ball to Traders Expecting Oil-Fueled Inflation Concerns

MBS & Treasury Markets

UMBS 5.0	98.88	-0.05	10YR	4.273%	+0.012%	3/19/2026 6:37AM EST

Negative Reprice Risk Increasing

MBS are now down 9 ticks (.28) and almost 6 ticks (.19) from some lenders' rate sheet print times. As such, negative reprices are becoming increasingly possible.

ALERT: Weakest levels as Powell answers inflation questions

UPDATE: Minimal Reaction to Fed Announcement and Dots So Far

Today's Mortgage Rates

30YR Fixed	6.36%	+0.07%	15YR Fixed	5.97%	+0.04%	3/18/2026

Mortgage Rates Move Back Up Near Recent Highs

got hit 3 times on Wednesday, with the net effect being a move back up to the highest levels in several months. The average lender isn't quite as high as they were last Friday, but after late-day "reprices" many are fairly close.

The least of the bond market's concerns (bonds dictate rates) was this morning's inflation data. The Producer Price Index (PPI) was higher than expected on multiple fronts, including those that translate directly to higher consumer prices in the more robust PCE inflation data that comes out on April 9th. Higher inflation = higher rates, all else equal.

Inflation also figured into the morning's other development: a renewed surge in oil prices. Granted, it's not as big as some of the recent spikes, but as crude jumped roughly $6 per barrel, bond yields followed with a strong correlation.

The 3rd market mover was also inflation-related, but this time in the form of Fed comments. Fed Chair Powell's characterization of inflation progress left the market feeling hopeless regarding potential rate cuts any time soon. As always, it is the market's rate cut expectations that actually correlate with interest rate movement (whereas actual Fed rate cuts are old news by the time they happen).

Today's post-Fed press conference resulted in financial markets moving expectations for the next rate cut out to April of 2027. A day ago, the market saw no chance of a rate HIKE at the next Fed meeting. Today, it's nearly 5% (not high, but a notable shift nonetheless).

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Thursday, Mar 19				
8:30AM	Mar Philly Fed Prices Paid	44.70		38.90
8:30AM	Mar Philly Fed Business Index ☆	18.1	10	16.3
8:30AM	Mar/07 Continued Claims (k) ☆	1,857K	1850K	1850K
8:30AM	Mar/14 Jobless Claims (k) ☆	205K	215K	213K
9:20AM	NY Fed Bill Purchases 1 to 4 months (%)			
10:00AM	Jan New Home Sales (%) (%)			-1.7%
10:00AM	Jan CB Leading Index MoM (%)			-0.2%
10:00AM	Jan New Home Sales (ml) ☆		0.72M	0.745M
1:00PM	10-yr Note Auction (bl) ★	19		
Friday, Mar 20				

Recent Housing News

- Purchase Applications Buoy Mortgage Demand Amid Rising Rates
- Modest Recovery Keeps Existing Home Sales in The Same Old Range
- Highest Refi Demand in 4 Years After Last Week's Rate Rally

Read My Latest Newsletter

From 3 Year Lows to 7 Month Highs in 2 Weeks

February ended with 30yr fixed rates at the lowest level in more than 3 years. There's been a grueling march higher since then with average rates ending the week at 7-month highs. While the first few days of March were open to some debate about the reasons for the rate spike, there's now only one elephant in the room, and it's a war elephant. Wars have various effects on financial...

Mortgage Calculators

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