

MARKET SUMMARY

Complete Recap of Today's Market Activity

Bonds Ignore Oil in Favor of Repricing The Rate Outlook

Market Summary: Thursday, March 19, 2026 - 12:09PM

At almost any moment in March 2026, a glance at the "10yr vs oil price" chart has revealed sufficient correlation to blame the bond rout on the energy price spiral. But the correlation is spotty at times and today is one of the starkest examples. Oil is essentially flat while bonds surged to higher yields overnight. We don't normally focus much on 2yr Treasuries, but the selling there is much worse than in the 10yr, reflecting a rapidly changing outlook for the Fed Funds Rate. Indeed the odds of a rate HIKE (not cut) in April rose from just over 4% to just over 10% this morning. The big shifts in the 2s vs 10s yield curve speak to the same phenomenon. Oil prices and econ data are easily being drowned out by this large scale repositioning for "higher for longer" short-term rates.

Market Movement Recap

- 08:20 AM moderately weaker overnight. with most of the losses seen in the last 2 hours. MBS down a quarter point and 10yr up 4.7bps at 4.308. 2yr yield is up twice as much as market reacts to Fed day
- 10:17 AM Back to unchanged in MBS and up half a bp in 10yr at 4.267

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



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MBS & Treasury Markets

UMBS 5.0	98.89	-0.04	10YR	4.256%	-0.005%	3/19/2026 12:08PM EST
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Back in Positive Territory as US Bonds Follow EU

The ECB rate announcement and comments have been this morning's dark horse market mover. The initial reaction contributed to selling in Treasuries, but in the past hour, additional ECB comments have pushed yields all the way back into positive territory on the day. Slightly lower spot crude prices haven't hurt.

10yr yields are now down half a bp at 4.257 and MBS are unchanged.

MBS MORNING: Bonds Ignore Oil in Favor of Repricing The Rate Outlook

ALERT: Negative Reprice Risk Increasing

Today's Mortgage Rates

30YR Fixed	6.43%	+0.07%	15YR Fixed	6.02%	+0.05%	3/19/2026
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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).

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) ☆	1857K	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 (%) (%)	-17.6%		-1.7%
10:00AM	Jan CB Leading Index MoM (%)	-0.1%		-0.2%
10:00AM	Jan New Home Sales (ml) ☆	0.587M	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

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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

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- 📊 Early Payoff
- 📊 Should I Refinance?
- 📊 Rent vs. Buy
- 📊 Blended Rate