MARKET SUMMARY

Complete Recap of Today's Market Activity

Central Banks Cite Oil to Steal Spotlight From Oil

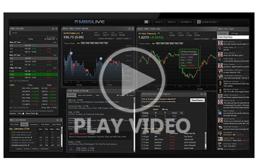
Market Summary: Friday, March 20, 2026 - 1:58PM

In the space of 2 days, central banks have completely stolen the spotlight from energy prices, but they have relied on energy prices to do so. More simply put, markets had been following oil prices until this week's central bank announcements. At that point, central banks cited energy prices as a reason for bigger upside inflation risk, vanishing rate cut prospects, and in some European cases, increasing prospects for rate hikes. Even Fed Funds Futures in the U.S. are pricing in a 10% chance of a hike at the next meeting as of this morning. This coordinated pivot is reminiscent of other big central bank pivots in the past. Thankfully, this one is heavily dependent on something that can be changed much more quickly than things could change in 2020-2021, but chatter is already increasing regarding the lasting inflation momentum of the current episode, even if the war ends today.

Market Movement Recap

09:46 AM	Sharply weaker overnight with additional selling all morning. MBS down over half a point and 10yr up 7.8bps at 4.327.
01:37 PM	MBS down half a point and 10yr up 11.4bps at 4.364

Latest Video Analysis



Volatile Day Thanks to Central Banks And, Eventually, Oil

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MBS & Treasury Markets

UMBS 5.0	98.23	-0.76	10YR	4.364%	+0.114%	3/20/2026 1:57PM EST

Assume Negative Reprice Potential Until Further Notice

Today is a bit unique in that bonds started weaker and have been falling steadily all day. Lender pricing strategies vary greatly in this conditions. Some will price in more weakness. Others will be responsive to additional losses. All we can tell you right now is that MBS are down more than a quarter point from many lenders' rate sheet print times so negative reprices will be an ongoing possibility--especially if we lose any more ground.

MBS MORNING: Central Banks Cite Oil to Steal Spotlight From Oil

ALERT: Negative Reprice Risk Increasing For Some Lenders

Today's Mortgage Rates

30YR Fixed	6.53%	+0.10%	15YR Fixed	6.07%	+0.05%	3/20/2026

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
Friday, Mar 20				
Monday, Mar 23				
10:00AM	Jan Construction spending (%)		0.1%	0.3%

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