

MARKET SUMMARY

Complete Recap of Today's Market Activity

Central Banks Cite Oil to Steal Spotlight From Oil

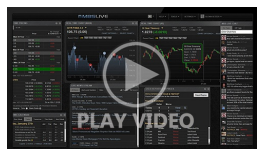
Market Summary: Friday, March 20, 2026 - 3:52PM

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	98.07	-0.93	10YR	4.389%	+0.139%	3/20/2026 3:51PM EST
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New Lows. Reprice Risk is Ongoing

One last alert for the road today. No sense in overdoing it, but it's worth noting that MBS are now at new lows with 5.0 coupons down nearly a full point on the day and 10yr yields up 14.2bps at 4.391.

Any lender could justify a negative reprice, but actual risk will depend on how conservative the most recent rate sheet is.

ALERT: Assume Negative Reprice Potential Until Further Notice

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

Today's Mortgage Rates

30YR Fixed	6.53%	+0.10%	15YR Fixed	6.07%	+0.05%	3/20/2026
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Mortgage Rates Move Back Above 6.5%

After hitting 5.99% as recently as February 27th, top tier 30yr fixed are back over 6.5% for the average lender today--the highest they've been since September 3rd, 2025.

The entire month of March has been painful for many corners of the financial market and mortgage rates are not immune. The Iran war is the underlying catalyst as surging fuel costs force global central banks to rapidly reassess inflation expectations and the policy rate outlook.

As we're fond of repeating, an actual hike/cut of the Fed Funds Rate is of no concern to mortgage rates by the time it actually happens. But if Fed hike/cut **expectations** are changing rapidly, mortgage rates will almost always be changing rapidly in the same direction.

That's what's happening this week--not just for the Fed, but also for the European Central Bank and others. The globally-coordinated hawkishness on the rate outlook causes additional volatility in the rate market for a variety of reasons. Investors increasingly believe that there is additional pain that needs to play out even if the war were to end today. That doesn't mean rates can't bounce for a day or two, but it does mean sustained improvement back to February's levels is highly unlikely in the near term.

Time	Event	Actual	Forecast	Prior
Friday, Mar 20				
Monday, Mar 23				
10:00AM	Jan Construction spending (%)		0.1%	0.3%

Recent Housing News

- New Home Sales Plunge to 3-Year Lows
- Reality Check For Refi Demand
- Builder Confidence Inches Higher Amid Affordability Concerns

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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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