Juxtaposition of Escalation and De-escalation Keeping Bonds Volatile

Market Summary: Wednesday, March 25, 2026 - 5:39AM

Tuesday was notable for financial markets' attempts to trade the Iran war due to the conspicuous juxtaposition of newswires that spoke to opposing developments. Around 1pm ET, troop deployment news sent yields to the highs of the day. A little over an hour later, the newswires gave the impression that the war was almost over--so much so that bonds were willing to retrace most of the 1pm losses. Nonetheless, yields were already elevated by 1pm, which means it was a weaker trading session overall. Material developments in the war will continue to be more actionable for markets than scheduled economic data--especially this week.

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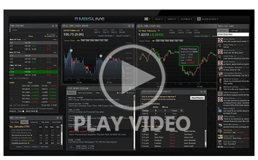
Latest Video Analysis



Juxtaposition of War Headlines Keeping Bonds Volatile

MBS & Treasury Markets

UMBS 5.0	98.45	+0.12	10YR	4.334%	-0.031%	3/25/2026 9:39AM EST

Bonds Surging to Best Levels on Ceasefire Headlines

Apparently, bonds aren't quite done responding to escalation/de-escalation headlines for the day, and the latest examples are having the biggest impact.

> ISRAELI CHANNEL 12: ONE-MONTH CEASEFIRE TO BE ANNOUNCED UNDER MECHANISM BEING DEVELOPED BY WITKOFF & KUSHNER

MBS are quickly back up to unchanged levels. Same story for 10yr yields, now unchanged at 4.346.

ALERT: Weakest Levels After 2yr Auction and War Headlines

ALERT: Weakest Levels of The Morning

Today's Mortgage Rates

30YR Fixed	6.55%	+0.06%	15YR Fixed	6.12%	+0.07%	3/24/2026

Highest Mortgage Rates Since August 2025

March 2026 continues to be an unpleasant month for --a fact almost exclusively due to the Iran war. Even if the war were to end today, there's been sufficient disruption to infrastructure and a big enough initial spike in energy prices to create what economists refer to as "second round effects." In simpler terms, this means that inflation expectations and will not immediately return to February's levels simply because the war is over.

That's a premature conversation today when headlines regarding U.S. troop deployment caused rates to jump at 1pm ET. Many mortgage lenders repriced to higher levels after that with the average top tier 30yr fixed rate hitting 6.55% for the first time since August 2025.

Subsequent comments regarding de-escalation helped the bond market recover some of those initial losses, but the market would like to see a more ironclad announcement before reacting in a more meaningful way.

[thirtyyearmortgagerates]

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Wednesday, Mar 25				
7:00AM	Mar/20 MBA Refi Index	1145.0		1341.0
7:00AM	Mar/20 MBA Purchase Index	163.6		172.9
7:00AM	Mar/20 Mortgage Market Index	310.7		347.1
8:30AM	Feb Import prices mm (%)	1.3%	0.5%	0.2%
10:30AM	Mar/20 Crude Oil Inventory (ml)		0.5M	6.156M
11:30AM	2-Yr Note Auction (bl)	28		
11:30AM	2-Year FRN Auction (%)			0.099%
1:00PM	5-Yr Note Auction (bl) ★		70	
4:10PM	Fed Miran Speech ☆			
Thursday, Mar 26				
8:30AM	Mar/21 Jobless Claims (k) ☆		210K	205K
8:30AM	Mar/14 Continued Claims (k) ☆		1860K	1857K
9:20AM	NY Fed Bill Purchases 1 to 4 months (%)		$8.071 billion	
1:00PM	7-Yr Note Auction (bl) ★		44	
4:00PM	Fed Cook Speech ☆			
6:30PM	Fed Miran Speech ☆			
7:00PM	Fed Jefferson Speech ☆			
7:10PM	Fed Barr Speech ☆			

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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March is Regime Change Month For Rates

While the word "regime" is often seen in a geopolitical context, it's also common in financial markets. With respect to rates, the most recent regime involved steady improvement starting in May 2025 and ending 3 weeks ago. Since then, a new regime has been taking over and it kicked into high gear this week. Under the previous regime, bonds (which dictate rates) were operating on the following p...

Mortgage Calculators

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