

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Over Before it Began

Market Summary: Tuesday, May 12, 2026 - 6:40AM

Monday proved to be a boring trading day despite the moderately big sell-off. Yields actually didn't move much during the domestic session. In fact, they didn't move during the overnight session either. Because the day's market-moving news happened on Sunday before trading began, it was instantly priced in at the open, and the rest of the day was spent drifting sideways to slightly weaker. Bonds ultimately underperformed their prevailing correlation with oil prices. We're not reading anything into this--especially in light of the Treasury auction cycle possibly adding some concessionary weakness.

### Latest Video Analysis



Over Before It Began.



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### MBS & Treasury Markets

UMBS 5.0	98.42	+0.02	10YR	4.432%	+0.023%	5/12/2026 4:34AM EST
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## MBS Down Just Over an Eighth From AM Highs

Bonds have been selling off slowly and steadily this morning, but the past few minutes have seen a modest acceleration. 10yr yields are up 5bps at the highs of the day (4.405). MBS are down 3/8ths on the day with just over an eighth of a point of that drop happening after the AM highs. Because those highs correspond with many lenders' rate sheet print times, this introduces some negative repricing risk.

**MBS MORNING:** Weaker Start After Peace Deal Stalls

**MBS MORNING:** Forget What You Know About The Payroll Count

## Today's Mortgage Rates

30YR Fixed 6.49% +0.07%

15YR Fixed 6.00% +0.01%

5/11/2026

### Mortgage Rates Rising to Start New Week

Last week was decidedly stronger for as they either held steady or moved lower on 5 out of 5 days. All told, it was a 0.14% drop from the previous week in terms of the average top-tier 30yr fixed rate.

The new week is starting out in opposite fashion with rates moving up 0.07% today alone. This follows news over the weekend that Trump rejected Iran's counterproposal to end the war. In general, the longer the war continues, the higher oil prices will remain.

Oil price don't dictate rates, but there's currently a lot of correlation due to inflation implications. Oil naturally impacts the cost to ship goods, so a rapid spike in oil prices increases inflation. Rates are based on bonds, and bonds hate inflation. In fact, inflation is technically a component of bond yields (aka "rates").

Despite the rocky start to the week, we're not necessarily destined to move in one direction or the other. Everything depends on progress toward peace, or lack thereof. To a lesser extent, this week's incoming economic data can also have an impact. Coincidentally, much of that data focuses on inflation for the month of April.

Time	Event	Actual	Forecast	Prior
<b>Tuesday, May 12</b>				
12:00AM	Roll Date - UMBS 30YR			
3:15AM	Fed Williams Speech ☆			
6:00AM	Apr NFIB Business Optimism Index	95.9	96.1	95.8
8:15AM	ADP Employment Change Weekly			39.25K
8:30AM	Apr y/y Headline CPI (%) ☆		3.7%	3.3%
8:30AM	Apr m/m Headline CPI (%) ★		0.6%	0.9%
8:30AM	Apr y/y CORE CPI (%) ★★		2.7%	2.6%
8:30AM	Apr m/m CORE CPI (%) ★★		0.3%	0.2%
11:30AM	6-Week Bill Auction (%)			3.630%
12:00PM	WASDE Report (%)			
1:00PM	Fed Goolsbee Speech ☆			
1:00PM	10-yr Note Auction (bl) ★		42	
2:00PM	Apr Federal budget (bl)		\$157.2B	\$-164.1B
<b>Wednesday, May 13</b>				
7:00AM	May/08 MBA Refi Index			928.6
7:00AM	May/08 MBA Purchase Index			171.1
7:00AM	May/08 Mortgage Market Index			285.3
8:30AM	Apr PPI y/y ☆		4.9%	4%
8:30AM	Apr Core PPI m/m (%) ☆		0.3%	0.1%
8:30AM	Apr Core PPI y/y (%) ☆		4.3%	3.8%
8:30AM	Apr PPI m/m (%) ☆		0.5%	0.5%
10:30AM	May/08 Crude Oil Inventory (ml)		-1.6M	-2.314M
11:30AM	Fed Collins Speech ☆			
1:00PM	30-Year Bond Auction ☆			4.876%
1:00PM	30-Yr Bond Auction (bl) ☆		25	
1:15PM	Fed Kashkari Speech ☆			
7:00PM	Fed Logan Speech ☆			