

MARKET SUMMARY

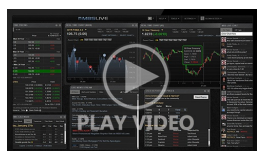
Complete Recap of Today's Market Activity

Bonds Continued Drifting Weaker Throughout The Day

Market Summary: Monday, May 18, 2026 - 4:44AM

Nothing new or interesting happened during the course of the trading day. The key market movers were in place at the start of domestic trading. From an analytical standpoint, the morning commentary adequately recaps the day's bond market motivations. Yields continued drifting higher throughout the session as investors pulled out of both sides of the market in protest of the apparent extension of the Iran war timeframe. 10s ultimately tapped 4.6% and MBS flirted with a 3/4th point day-over-day drop. In the bigger picture, mortgage rates are doing much better than Treasuries compared to last year's levels thanks to GSE bond buying.

Latest Video Analysis



Bonds Continued Drifting Weaker Throughout The Day



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MBS & Treasury Markets

UMBS 5.0	97.30	-0.10	10YR	4.603%	+0.011%	5/18/2026 6:40AM EST
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Down More Than an Eighth vs 9:30am ET

MBS are now down just over 5/8ths of a point on the day. 5 ticks (.16) of that has been seen since 9:30am, which is an early part of the window for lender rate sheet print times.

Most every lender has baked in plenty of weakness to this morning's rate sheets, so the bar for negative reprices is probably a bit higher than normal (i.e. negative reprices aren't necessarily highly likely at the moment, but we're heading in that direction).

MBS MORNING: Highest Yields in a Year After Trump/Xi Summit

ALERT: New Lows and Slightly More Reprice Risk

Today's Mortgage Rates

30YR Fixed 6.65% +0.13%

15YR Fixed 6.10% +0.06%

5/15/2026

Mortgage Rates Surge Toward 8-Month Highs

are driven by bonds and the bond market hoped to see more evidence of shift toward peace during the 2-day Trump/Xi meeting in China. As soon as Trump got back on the plane to head home, bonds began tanking (i.e. jumping to higher yields).

When bond yields spike, mortgage rates follow, and today is no exception. The average top-tier 30yr fixed rate is up to 6.62% this morning, right in line with levels seen on March 26th and 27th and the highest since August 1st.

If there's a silver lining, it's that mortgage rates aren't higher. Much of the credit goes to the ramp in purchases of mortgage-backed debt by Fannie and Freddie. The more mortgage debt they buy, the better it is for mortgage rates relative to benchmarks like U.S. Treasuries.

For instance, Treasuries are now well above the levels seen in late March and in line with levels from the first half of 2025 when mortgage rates were 7% instead of 6.62%.

Economic Calendar

Last Week

This Week

Next Week

Time	Event	Actual	Forecast	Prior
Monday, May 18				
8:30AM	Fed Venable Speech ☆			
10:00AM	May NAHB housing market indx		35	34
Tuesday, May 19				
12:00AM	Roll Date - Ginnie Mae 30YR			
8:15AM	ADP Employment Change Weekly			33.0K
9:00AM	Fed Waller Speech ☆			
10:00AM	Apr Pending Home Sales (%) ☆		1.3%	1.5%
11:30AM	6-Week Bill Auction (%)			3.615%
7:00PM	Fed Paulson Speech ☆			
7:30PM	Fed Venable Speech ☆			