

MARKET SUMMARY

Complete Recap of Today's Market Activity

Early Gains And Losses on Conflicting War Headlines

Market Summary: Monday, May 18, 2026 - 1:15PM

Bonds began the overnight session by drifting somewhat higher in yield. The 10yr hit 4.63 before recovering modestly just before domestic trading began. Yields were still slightly higher at 7:30am but moved lower after headlines cited rumors that the U.S. agreed to lift Iran's oil sanctions. Subsequent headlines cited a revised counter-proposal from Iran in which it would accept a long-term freeze of its nuclear program in exchange for a truce and gradual reopening of the Strait of Hormuz. Bonds rallied on both those newswires with 10s making it below 4.57. They're since reversed course on a 3rd set of newswires citing Iran's negotiators as saying U.S. demand remain excessive despite the changes in the draft proposal.

Latest Video Analysis



Bonds Continued Drifting Weaker Throughout The Day



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UMBS 5.0 97.32 -0.08 | 10YR 4.598% +0.006% 5/18/2026 3:10PM EST

MBS Down More Than an Eighth From Highs

5.0 MBS coupons are unchanged on the day after being up just over 5 ticks at the most recent high. Those highs correspond with some lenders' rate sheet print times. On some occasions, we've seen the jumpiest lenders reprice for the worse in this scenario, but risks wouldn't be widespread unless we lose several more ticks.

The losses are in response to headlines that push back on the last set of headlines regarding Iran's updated counterproposal.

MBS MORNING: Early Gains And Losses on Conflicting War Headlines

ALERT: Down More Than an Eighth vs 9:30am ET

Today's Mortgage Rates

30YR Fixed 6.68% +0.03% | 15YR Fixed 6.12% +0.02% 5/18/2026

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%.

Time	Event	Actual	Forecast	Prior
Monday, May 18				
8:30AM	Fed Venable Speech ☆			
10:00AM	May NAHB housing market indx	37	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 (%) ☆		13%	15%
11:30AM	6-Week Bill Auction (%)			3.615%
7:00PM	Fed Paulson Speech ☆			
7:30PM	Fed Venable Speech ☆			