

MARKET SUMMARY

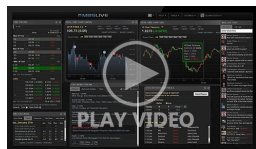
Complete Recap of Today's Market Activity

Whales Making Waves in Treasury Futures

Market Summary: Wednesday, May 20, 2026 - 1:08AM

Nerd alert: there's no way to discuss what happened in the bond market today without getting a bit nerdy. Reason being, there was an absolute deluge of [block trades](#) in Treasury futures (over \$20bln--the biggest day we can remember for outright block trades). There are a few different possibilities for how this went down, but the size, structure, and timing of those trades suggests that only one or two massive players were involved. The saving grace of a move like this is that it means there was not broad-based selling pressure from a majority of the market. And although this could be viewed as "thought leadership" that inspires other sellers, those sellers had a chance to jump on the bandwagon today and instead held their ground.

Latest Video Analysis



Huge Block Trades Drove Big AM Sell-Off



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UMBS 5.0 96.80 0.00 | 10YR 4.670% +0.003% 5/19/2026 11:04PM EST

Some Support and Some Reprice Risk (It's Weird)

We're sending this out as an "update" as opposed to an alert to acknowledge the supportive trading seen in the past hour. In other words, it looks like bonds may have found their footing for now.

But this morning has a weird trading pattern which has basically been a freefall in bond prices from the outset. Typically, such freefalls are mostly over by the time lender rate sheets come out. This one, however, was still in progress.

That means that lender pricing strategies had to be more forward looking if they'd hoped to account for the continuation of the selling. We think a good portion of them have succeeded, but a few clearly haven't. In other words, even though a lender's rates are higher this morning, if the initial rate sheet isn't weak enough, there's still some risk of a negative reprice.

On the other hand, lenders who were especially defensive (i.e. they raise rates a lot) will be in a position to consider positive reprices if bonds recover a bit more ground.

In nuts and bolts terms, 5.0 MBS are down 5/8ths and 5.5 MBS are down half a point. In both cases, more than a an eighth of a point of that weakness has arrived since 10am.

MBS MORNING: Increasing Signs of Bond-Specific Panic

ALERT: Negative Reprices Becoming More Likely

Today's Mortgage Rates

30YR Fixed 6.75% +0.07% | 15YR Fixed 6.25% +0.13% 5/19/2026

Mortgage Rates Jump Again, Now up 0.75% Since Start of The War

It was another rough day for the bond market and, thus, for . Investors aggressively sold bonds in the first 2 hours of trading, taking 10yr Treasury yields to the highest level in more than a year.

Mortgage-specific bonds have been doing better versus Treasuries in recent months thanks to increased purchase demand from Fannie Mae and Freddie Mac. All else equal, higher demand for mortgage bonds = lower rates, relatively. In the current case, it means haven't moved up as much as Treasury yields over the past 6 months.

That said, rates have still definitely moved higher. Today's top tier 30yr fixed rate is up to 6.75% for the average lender--the highest since July 2025, and a whopping 0.75% higher since before the Iran war began. This makes it the fastest rate spike seen since late 2024.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Wednesday, May 20				
7:00AM	May/15 Mortgage Market Index			290.1
7:00AM	May/15 MBA Refi Index			921.1
7:00AM	May/15 MBA Purchase Index			177.7
8:00AM	Fed Paulson Speech ☆			
10:15AM	Fed Barr Speech ☆			
10:30AM	May/15 Crude Oil Inventory (ml)		-2.5M	-4.306M
1:00PM	20-Yr Bond Auction (bl)		16	
2:00PM	FOMC Minutes ★★			
Thursday, May 21				
8:30AM	May/09 Continued Claims (k) ☆		1790K	1782K
8:30AM	May Philly Fed Prices Paid			59.30
8:30AM	May/16 Jobless Claims (k) ☆		210K	211K
8:30AM	Apr Building Permits (ml)		1.39M	1.363M
8:30AM	Apr Housing starts number mm (ml)		1.41M	1.502M
8:30AM	May Philly Fed Business Index ☆		18	26.7
9:45AM	May S&P Global Composite PMI ☆			51.7
9:45AM	May S&P Global Services PMI ☆		51.1	51.0
9:45AM	May S&P Global Manuf. PMI ☆		53.8	54.5
1:00PM	10-yr Note Auction (bl) ★	19		