

MARKET SUMMARY

Complete Recap of Today's Market Activity

Bleeding Subsidies For Now, But Bonds Remain Cautious

Market Summary: Wednesday, May 20, 2026 - 1:20PM

Tuesday's massive wave of bond-specific weakness still has the analytical community scratching its collective head. Our contacts are either saying nothing or telling us they're just as perplexed. So far this morning, there hasn't been any sort of repeat performance. Lower oil prices have helped bonds find their footing, but alarmingly, bonds are once again diverging from their correlation with oil in early trading. On the calendar front, the 2pm FOMC Minutes release is the only thing that seems like it might be relevant, but as a reminder, this is just a more detailed account of the meeting that took place 3 weeks ago, and we've heard plenty of Fed speakers clarify their outlook over those 3 weeks.

Latest Video Analysis



Huge Block Trades Drove Big AM Sell-Off



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UMBS 5.0 97.24 +0.44 | 10YR 4.603% -0.064% 5/20/2026 11:14AM EST

In Case You Missed It, This is Why Bonds Are Rallying

Pretty simple stuff:

Around 10:15am:

"The Pakistani army leader may visit Iran tomorrow to announce the final version of the agreement text - Al Hadath, citing Sources."

IF THE PAKISTANI ARMY CHIEF DOES NOT GO TO IRAN, HE MAY ANNOUNCE THE COMPLETION OF THE FINAL VERSION OF THE AGREEMENT WITHIN HOURS

Then at 11:15am:

TRUMP ANNOUNCES US IS IN 'FINAL STAGES' OF NEGOTIATIONS WITH IRAN.

Both newswires resulted in clear volume pops and additional rally momentum in bonds. 10yr yields now down 8bps at 4.585 and MBS down over half a point.

MBS MORNING: Bleeding Subsidies For Now, Headlines Helping But Bonds Remain Cautious

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

Today's Mortgage Rates

30YR Fixed 6.67% -0.08% | 15YR Fixed 6.22% -0.03% 5/20/2026

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 | 283.5 | | 290.1 |
| 7:00AM | May/15 MBA Refi Index | 920.2 | | 921.1 |
| 7:00AM | May/15 MBA Purchase Index | 170.4 | | 177.7 |
| 8:00AM | Fed Paulson Speech ☆ | | | |
| 10:15AM | Fed Barr Speech ☆ | | | |
| 10:30AM | May/15 Crude Oil Inventory (ml) | -7.864M | -2.9M | -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 | | |