

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Full Reversal And Then Some

Market Summary: Thursday, May 21, 2026 - 2:18AM

Bonds more than made up from Tuesday's rout with a massive rally on Wednesday. Unlike Tuesday's move, which was driven by bond-market-specific selling pressure on the part of one account's massive liquidations, Wednesday's rally was broad-based and driven by war-related headlines. Specifically, newswires suggested the U.S. and Iran are now very close to agreeing on a plan to end the war. The market isn't just hearing "wolf!" It's pretty sure it's seeing an actual wolf on the horizon. This is important and ongoing proof of concept regarding the prospect of additional improvement in the event speculation becomes reality. Conversely, it's also a reminder that things can change quickly if the peace narrative deteriorates in coming days.

### Latest Video Analysis



Full Reversal and Then Some



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UMBS 5.0	97.35	+0.00	10YR	4.586%	-0.003%	5/21/2026 12:14AM EST
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## 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 Recover All of Yesterday's Losses

Wednesday brought some much-needed relief for the mortgage market after rates surged to new 9 month highs of 6.75% yesterday. Whereas that rate spike was decoupled from the prevailing narrative of war-related headlines, today's recovery was quite the opposite.

Newswires came out shortly after 10am ET that suggested the U.S. and Iran are nearing a final draft of a peace agreement. While such news has been prone to correction and revision, the market was nonetheless willing to respond quickly and rather forcefully.

Oil prices dropped sharply with Treasury yields in tow. In the bond market, "yield" is another word for "rate." And because mortgage pricing is directly dictated by mortgage-specific bonds, when yields are falling, will almost always be falling as well.

The average lender fully erased yesterday's rate spike, ultimately making it back below the levels seen on Monday afternoon. Granted, Monday's levels were still the highest in many months at the time, but we have to start somewhere. At the very least, today's market movement reiterates the fact that rates will likely make an even better recovery when the war is officially over.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
<b>Thursday, May 21</b>				
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		
<b>Friday, May 22</b>				
10:00AM	May Consumer Sentiment (ip) ☆		48.2	49.8
10:00AM	May U Mich conditions ☆		47.8	52.5
10:00AM	May Sentiment: 5y Inflation (%) ☆		3.4%	3.5%
10:00AM	May Sentiment: 1y Inflation (%) ☆		4.5%	4.7%
10:00AM	Apr CB Leading Index MoM (%)		-0.2%	-0.6%
11:00AM	Fed Waller Speech ☆			