

MARKET SUMMARY

Complete Recap of Today's Market Activity

Bonds Turn Red Overnight on War Headlines

Market Summary: Thursday, May 21, 2026 - 1:38PM

Bonds spent most of the overnight session moving sideways to slightly stronger, but everything changed at 6:20am. That's when news broke regarding a statement from Iran's Khamenei saying that Uranium should not leave the country. Given that this is a sticking point for peace negotiations, the response in bonds/oil/etc was immediate and clear. Yields rose from 4.575 to 4.62 and continue to trade near there ever since.

Latest Video Analysis



Full Reversal and Then Some



Ca-Vin Phan

Chief Operating Officer,
ABLE FINANCIAL CORP

WWW.ABLEFINANCIALCORP.COM

P: (714) 462-6149

M: (657) 360-4663

cvphan@ablefinancialcorp.com

12387 LEWIS STREET
GARDEN GROVE California 92840
NMLS 1776228



MBS & Treasury Markets

UMBS 5.0 97.15 -0.19 10YR 4.614% +0.026% 5/21/2026 11:34AM EST

Bonds Turn Red Overnight on War Headlines

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While there was a decent little chunk of line items on the econ calendar at 8:30am this morning, none of them generated any volume or volatility.

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

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

Today's Mortgage Rates

30YR Fixed 6.65% -0.02%

15YR Fixed 6.22% +0.00%

5/21/2026

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
Thursday, May 21				
8:30AM	May/09 Continued Claims (k) ☆	1782K	1790K	1782K
8:30AM	May Philly Fed Prices Paid	47.90		59.30
8:30AM	May/16 Jobless Claims (k) ☆	209K	210K	211K
8:30AM	Apr Building Permits (ml)	1.442M	1.39M	1.363M
8:30AM	Apr Housing starts number mm (ml)	1.465M	1.41M	1.502M
8:30AM	May Philly Fed Business Index ☆	-0.4	18	26.7
9:45AM	May S&P Global Composite PMI ☆	51.7		51.7
9:45AM	May S&P Global Services PMI ☆	50.9	51.1	51.0
9:45AM	May S&P Global Manuf. PMI ☆	55.3	53.8	54.5
1:00PM	10-yr Note Auction (bl) ★	19		
Friday, May 22				
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 ☆			