

MARKET SUMMARY

Complete Recap of Today's Market Activity

Peace Deal Rumors Make For Mid-Day Reversal

Market Summary: Thursday, May 21, 2026 - 9:18PM

Bonds started the day in fairly forgettable and slightly weaker fashion after overnight headlines suggested that the disposition of Iran's nuclear material remains a sticking point. Bonds were flat at weaker levels all morning. Then, just after 1pm, a different headline suggested a "draft agreement" was expected to be announced in a matter of hours. It listed several bullet points, but ironically, nuclear material was not on the list. Nonetheless, the bond market rallied into positive territory rather easily. As much of a head-scratcher as that is (why get excited if the nuclear sticking point remains?), there's no question about the reaction function with oil prices perfectly matching the bond yield move.



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MBS & Treasury Markets

UMBS 5.0	97.34	0.00	10YR	4.569%	-0.020%	5/21/2026 5:59PM EST
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Bonds Turn Red Overnight on War Headlines

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.

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 Subsides 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 After Starting Higher

After posting a decent recovery from 9-month highs yesterday, it looked like we were destined to bounce back toward slightly higher levels today. In fact, when lenders released their initial rates this morning, the average 30yr fixed rate was indeed moderately higher.

But shortly after 1pm ET, news broke regarding additional progress in the Iran war peace process. Much like many similar headlines of late, this one could easily unravel in the coming hours, but the bond market responded positively enough to erase the day's losses.

In general, when bonds are gaining, rates move lower. Today's intraday gains allowed lenders to "re-price" to lower rates. The average lender was just slightly lower than yesterday's latest levels as of 3pm ET.

On the plus side, lower is lower, and that's a victory for today. On the other hand, rates are still very close to long-term highs in the bigger picture. Additionally, and to reiterate a point above, we've seen these sorts of news stories come and go with markets ultimately erasing the initial move after the next set of headlines push the narrative back in the other direction.

Bottom line: this was a decent intraday gift, but we're not viewing it as a definitive pivot point in rate trends.

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 ☆			