

MARKET SUMMARY

Complete Recap of Today's Market Activity

Much Stronger Start as Peace Deal Expectations Improve

Market Summary: Tuesday, May 26, 2026 - 2:48PM

On Sunday evening, the NYT ran a story that the U.S. and Iran had agreed in principle to end the war and reopen the Strait of Hormuz. The key distinction versus previous rumors/reports is that the issue of nuclear material is being left as "TBD." Subsequent headlines mentioned several military strikes, but the market didn't react (it's been fairly common to see those sorts of "yeah but" headlines immediately following potential breakthroughs toward peace). Market reaction is the best judge of headline credibility and the reaction is clear. Oil dropped about \$5/bbl and 10yr yields are staring out 7bps lower at 4.489--the lowest levels since May 14th. MBS are up more than 3/8ths of a point in early trading.

Latest Video Analysis



Bonds Scratch Out a Win Amid Dueling Headlines



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MBS & Treasury Markets

UMBS 5.0	97.94	+0.39	10YR	4.503%	-0.056%	5/26/2026 12:44PM EST
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Down More Than an Eighth From Highs

Bonds have been losing ground slowly this morning after opening at sharply stronger levels. MBS are down 5 ticks (16) from the highs of the morning and some lenders are seeing an eighth of a point of weakness since rate sheet print times.

Negative reprices are rare in this scenario, but they could technically be justified by jumpy, early lenders.

MBS are still up nearly 3/8ths on the day and 10yr yields are down 5.6bps at 4.503.

MBS MORNING: Much Stronger Start as Peace Deal Expectations Improve

ALERT: Down More Than an Eighth From Highs

Today's Mortgage Rates

30YR Fixed 6.61% -0.04% | 15YR Fixed 6.14% -0.09% 5/26/2026

Mortgage Rates Move Moderately Lower

Although are still relatively close to their highest levels in 9 months, they continue moving lower after hitting those highs as the beginning of last week. Today's improvement follows news over the weekend that the U.S. and Iran are even closer to agreeing on a framework that would end the war.

The war remains a key source of volatility for rates and other financial markets. In general, escalation and/or delays in the peace process are bad for rates. De-escalation and improved peace prospects are good for rates. While none of the news of the past 48 hours guarantees a speedy end to hostilities, the market viewed it as a step in the right direction.

Top tier 30yr fixed mortgage rates fell 0.04% for the average lender to hit 6.61%. Last Monday's level was 6.75%.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Tuesday, May 26				
9:00AM	Mar FHFA Home Price Index m/m (%)	0.1%	0.1%	0%
9:00AM	Mar FHFA Home Prices y/y (%) ☆	1.7%		1.7%
9:00AM	Mar CaseShiller 20 mm nsa (%)	1%		0.4%
9:00AM	Mar Case Shiller Home Prices-20 y/y (%) ☆	0.8%	1%	0.9%
10:00AM	May CB Consumer Confidence (%) ☆	93.1	92	92.8
1:00PM	6-Week Bill Auction (%)	3.620%		3.615%
1:00PM	2-Yr Note Auction (bl)	69		
Wednesday, May 27				
4:00AM	Fed Logan Speech ☆			
7:00AM	May/22 Mortgage Market Index			283.5
7:00AM	May/22 MBA Refi Index			920.2
7:00AM	May/22 MBA Purchase Index			170.4
8:15AM	ADP Employment Change Weekly			42.25K
9:20AM	NY Fed Bill Purchases 1 to 4 months (%)		\$6.576 billion	
11:30AM	2-Yr Note Auction (bl)	28		
11:30AM	2-Year FRN Auction (%)			0.103%
1:00PM	5-Yr Note Auction (bl) ★		70	
3:55PM	Fed Cook Speech ☆			
8:00PM	Fed Jefferson Speech ☆			