

MARKET SUMMARY

Complete Recap of Today's Market Activity

What Are Bonds Waiting For?

Market Summary: Wednesday, June 17, 2026 - 4:12PM

So far today, we've seen some war-related headlines that feel like they should have gotten at least a mild response (Trump saying MOU isn't final and could go back to dropping bombs) and a Retail Sales report that speaks to ongoing economic expansion at a faster-than-expected pace. Both of those things argue for something other than a modest rally in bonds, yet that is exactly what we're seeing. If it weren't for the absence of any major response in other markets, we might wonder what bonds were smoking, or whether they're waiting for bigger news. On that note, the whole market actually is waiting to see how it feels after a Fed Day with a new Fed Chair. Attempts to quantify that anxiety are subjective, but it's objectively true that today's Fed announcement is much more highly consequential than recent examples, simply due to feeling out Warsh.

Latest Video Analysis



Decent Gains, But Some Signs of Resistance



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MBS & Treasury Markets

UMBS 5.0	98.28	-0.16	10YR	4.463%	+0.022%	6/17/2026 2:09PM EST
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Negative Reprice Risk Increasing

MBS are now down nearly 3/8ths of a point on the day and half a point from pre-Fed levels. If you haven't seen a negative reprice yet, you will.

The primary driver was the dot plot at 2pm. The Warsh press conference added weakness for a variety of reasons that will be discussed in today's recap.

ALERT: Selling Off After Dot Plot

COMMENTARY: Here's What Changed in The New Fed Announcement

Today's Mortgage Rates

30YR Fixed 6.62% +0.08%

15YR Fixed 6.16% +0.05%

6/17/2026

Mortgage Rates Spike in Response to Fed

quickly erased a week of progress this afternoon following the Fed announcement and press conference. Fed announcement day historically has several components: the announcement itself, the summary of economic projections (SEP), and the press conference.

Within the SEP, there is the dot plot showing each Fed member's assumptions about where the Fed Funds Rate will be in the future if the economy continues on the expected course. "The dots" only come out every other Fed meeting, but they have a habit of causing volatile market reactions. Today's was no exception.

The dots essentially show that the average Fed member now sees the Fed Funds rate at least 0.25% higher at the end of 2026 than they did back in March. This is responsible for the first big move in the bond market today.

Bonds lost more ground during new Fed Chair Kevin Warsh's press conference. The reasons for this could be debated. Some traders may have been expecting Warsh to push back against the dot plot with a more rate-friendly tone. Others may have been disheartened at the lack of any guidance about how the Fed is interpreting incoming economic data. In general, lower transparency regarding the Fed's reaction function arguably requires traders to price in a higher risk premium.

Because rates are based on bonds, and because bonds lost ground sharply, mortgage lenders ended up raising rates in the afternoon--some of them up to 3 times. When the dust settled, the average lender was back up to June 10th levels with top-tier 30yr fixed rates at 6.62%.

Time	Event	Actual	Forecast	Prior
Wednesday, Jun 17				
7:00AM	Jun/12 Mortgage Market Index	269.5		280.1
7:00AM	Jun/12 MBA Purchase Index	170.8		176.9
7:00AM	Jun/12 MBA Refi Index	810.2		848.7
8:30AM	May Retail Sales Control Group MoM ★★	0.7%	0.4%	0.5%
8:30AM	May Retail Sales (%) ★★	0.9%	0.5%	0.5%
10:00AM	Apr Business Inventories (%) ☆	0.5%	0.5%	0.9%
10:00AM	May Pending Home Sales (%) ☆	3.8%	0.8%	1.4%
10:30AM	Jun/12 Crude Oil Inventory (ml)	-8.262M	-4.6M	-7.228M
2:00PM	Interest Rate Projection - Longer	3.1%		3.1%
2:00PM	FOMC Economic Projections ★★			
2:00PM	Fed Interest Rate Decision ★★	3.75%	3.75%	3.75%
2:00PM	Interest Rate Projection - 1st Yr	3.6%		3.1%
2:00PM	Interest Rate Projection - Current	3.8%		3.4%
2:00PM	Interest Rate Projection - 2nd Yr	3.4%		3.1%
2:30PM	Fed Press Conference ★★			
2:30PM	Warsh Press Conference ★★			
Thursday, Jun 18				
12:00AM	Roll Date - Ginnie Mae 30YR			
8:30AM	Jun/06 Continued Claims (k) ☆		1800K	1795K
8:30AM	Jun Philly Fed Business Index ☆		10	-0.4
8:30AM	Jun/13 Jobless Claims (k) ☆		225K	229K
8:30AM	Jun Philly Fed Prices Paid			47.90
10:00AM	May CB Leading Index MoM (%)		0.1%	0.1%
1:00PM	5-Yr Note Auction (bl) ★	24		