

MARKET SUMMARY

Complete Recap of Today's Market Activity

Bonds Tell Warsh What They Think of His Changes

Market Summary: Thursday, June 18, 2026 - 4:13AM

Ironically, one of Warsh's comments in today's press conference was that market movement is the most important source of information for the Fed. At the same time, the market was effectively saying that it was also fond of hearing what was on the Fed's mind, and if the Fed is going to stop sharing those thoughts, the market was going to cry about it. This certainly wasn't the whole story as the [hawkish](#) dot plot did about half the damage well before the press conference. One could also argue that some traders may have expected Warsh to do something to push back against that Hawkishness. Instead, he did very little apart from reference various task forces that would be working on several projects. In general, the lack of transparency and the absence of even a semblance of forward guidance led the market to rapidly price in a higher risk premium in both stocks and bonds. Bottom line, markets said "if you aren't going to do anything to push back on that [hawkish](#) dot plot, we're gonna go ahead and assume rate hikes are more likely."

Latest Video Analysis



Bonds Tell Warsh What They Think About His Changes



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UMBS 5.0 98.13 +0.13 | 10YR 4.456% -0.040% 6/18/2026 5:00PM EST

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 6.58% -0.04% | 15YR Fixed 6.15% -0.01% 6/18/2026

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
Thursday, Jun 18				
12:00AM	Roll Date - Ginnie Mae 30YR			
8:30AM	Jun/06 Continued Claims (k) ☆	1810K	1800K	1795K
8:30AM	Jun Philly Fed Business Index ☆	10.3	10	-0.4
8:30AM	Jun/13 Jobless Claims (k) ☆	226K	225K	229K
8:30AM	Jun Philly Fed Prices Paid	53.20		47.90
10:00AM	May CB Leading Index MoM (%)	0.1%	0.1%	0.1%
1:00PM	5-Yr Note Auction (bl) ★	24		
Friday, Jun 19				
12:00AM	Juneteenth ★★			