

MARKET SUMMARY

Complete Recap of Today's Market Activity

Deal Signed. Warsh Digested. Bonds Stabilizing

Market Summary: Thursday, June 18, 2026 - 10:46AM

Trump officially signed the Iran MOU last night , which helped oil prices and bond yields move a bit lower. Overseas markets also did a decent job digesting the post-Warsh trade, quarantining most of the damage to the shortest end of the yield curve and buying the longer end (i.e. 10yr rallied back almost completely while 2yr barely rallied). The net effect is a 10yr yield that is back on the doorstep of the 4.42% technical floor (currently 4.435%). MBS have a shorter implied duration than 10 years and only a bit better than halfway back to yesterday's pre-Fed levels. As a reminder, markets are closed Friday. There is no big ticket econ today, so traders will be left to focus on [technicals](#), pre-weekend positioning, and any headlines of consequence.



Brendon Garcia

Broker/Owner,
Collaborative Capital

<https://brendongarcia.com/>

P: (805) 253-2053

brendon@brendongarcia.com

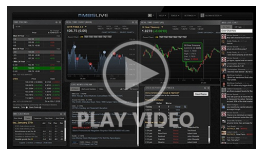
Westlake Village, California

NMLS# 278724

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Latest Video Analysis



Bonds Tell Warsh What They Think About His Changes

MBS & Treasury Markets

UMBS 5.0	98.23	+0.23	10YR	4.444%	-0.052%	6/18/2026 8:44AM EST
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ALERT: Negative Reprice Risk Increasing

ALERT: Selling Off After Dot Plot

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%.

Economic Calendar

Last Week | This Week | Next Week

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 ★★			