

MARKET SUMMARY

Complete Recap of Today's Market Activity

What's Up With Today's Big Rally? (Spoiler Alert: Quarter-End Rebalancing)

Market Summary: Wednesday, June 24, 2026 - 10:04PM

Stocks went on a tear in Q2 with the S&P up 20% as recently at June 16th. AI-adjacent stocks were up over 50%. Bonds lost ground over the same time. That means the 60/40 stock/bond portfolio targets were thrown way out of whack, at times approaching a 70/30 balance. Gigantic money managers (insurance/pension funds and foreign investment funds) take the last few weeks of a quarter to get that balance back to 60/40. This is accomplished via selling stocks, buying bonds, or both. In today's case it was both, but primarily the "buying bonds" part. If the math is so cut and dried, why can't the market accurately price it in ahead of time (after all, [it was being talked about](#))? Ultimately, rebalancing flows are only a small fraction of trading volume. For instance, the stock selling in early June was viewed as early rebalancing tradeflows. This stuff doesn't adhere to a set schedule, so it's only truly obvious in hindsight. Unfortunately, it doesn't speak to a material shift in bond buying demand going forward--just an accounting adjustment in response to the past.

Latest Video Analysis



Quarterly Rebalancing Driving Bond Rally



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UMBS 5.0	98.45	-0.07	10YR	4.399%	-0.099%	6/25/2026 12:00AM EST
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Quick Rally Toward Key Resistance Just Before The Open

Bonds spend most of the night trading sideways to slightly stronger. Oil prices fell sharply, making it tempting to conclude that's the reason that 10yr yields were almost 7bps lower at 9am. But more than half of the oil rally was over before Treasuries began rallying. There was an obvious and uncommonly large volume spike in Treasuries around 7:50am ET. Oil was still falling at the time. It likely contributed to the bond buying, but not enough that we'd give it primary credit. The nature of the Treasury rally is highly suggestive of massive accounts partaking in quarter-end rebalancing (just a bigger version of).

Despite the surge, yields are only now getting back to the same old 4.42% technical resistance level that's blocked further progress since late May.

MBS MORNING: Re-Coupling and Range Consolidation

MBS MORNING: Bonds Starting Weaker Despite Lower Oil and EU Bond Recovery

Today's Mortgage Rates

30YR Fixed	6.55%	-0.10%	15YR Fixed	6.15%	-0.04%	6/24/2026
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Mortgage Rates Quickly Approaching 1-Month Lows

Rate momentum shifted noticeably on Wednesday. The underlying bond market saw heavy buying in pre-market trading--likely a result of large-scale quarter-end rebalancing among the largest money managers (i.e. adjusting balance of stocks vs bonds in investment portfolios). Excess demand for bonds = lower rates, all else equal.

It also hasn't hurt that oil prices continue declining as bond demand has frequently benefited from the lower implied inflation.

The average top-tier 30yr fixed rate fell 0.10% to 6.55--just a hair above June 16th levels of 6.54%. Before that, you'd have to go back to May 14th to see anything lower.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Wednesday, Jun 24				
7:00AM	Jun/19 Mortgage Market Index	272.1		269.5
7:00AM	Jun/19 MBA Refi Index	834.2		810.2
7:00AM	Jun/19 MBA Purchase Index	169.7		170.8
8:30AM	May Building Permits (ml)	1.41M	1.413M	1.423M
9:20AM	NY Fed Bill Purchases 4 to 12 months (%)		\$3.319 billion	
10:00AM	May New Home Sales (ml) ☆	0.58M	0.64M	0.622M
10:00AM	May New Home Sales (%) (%)	-7.3%		-6.2%
10:30AM	Jun/19 Crude Oil Inventory (ml)	-6.088M	-4.5M	-8.262M
11:30AM	2-Yr Note Auction (bl)	28		
11:30AM	2-Year FRN Auction (%)	0.079%		0.089%
1:00PM	5-Yr Note Auction (bl) ★	70		
4:00PM	Fed Bank Stress Test Results ☆			
Thursday, Jun 25				
8:30AM	Jun/13 Continued Claims (k) ☆		1800K	1810K
8:30AM	Jun/20 Jobless Claims (k) ☆		225K	226K
8:30AM	May PCE prices (m/m) (%) ☆		0.5%	0.4%
8:30AM	Q1 GDP Final Sales (%)		1.5%	0.3%
8:30AM	Q1 GDP (%) ★		1.6%	0.5%
8:30AM	Q1 Corporate profits (%)		-0.4%	5.7%
8:30AM	May PCE (y/y) (%) ☆		4.1%	3.8%
8:30AM	May Durable goods (%) ☆		-4.5%	7.9%
8:30AM	May Core PCE (y/y) (%) ★		3.4%	3.3%
8:30AM	May Core CapEx (%) ☆		0.6%	-1.1%
8:30AM	Q1 PCE Prices (Q/Q) ☆		4.5%	2.9%
8:30AM	May Core PCE (m/m) (%) ★		0.3%	0.2%
8:30AM	Q1 Core PCE Prices QoQ ☆		4.4%	2.7%
1:00PM	7-Yr Note Auction (bl) ★		44	
3:40PM	Fed Williams Speech ☆			
3:40PM	Fed Williams Speech ☆			
6:30PM	Fed Goolsbee Speech ☆			
6:30PM	Fed Goolsbee Speech ☆			