

MARKET SUMMARY

Complete Recap of Today's Market Activity

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

Market Summary: Thursday, June 25, 2026 - 8:03AM

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



Dan Clifton

The Home Loan Guru,
Clifton Mortgage Solutions

CliftonMortgageSolutions.com

P: (888) 681-0777

M: (407) 252-3039

dan@cliftonmortgagesolutions.com

1177 Louisiana Ave

Winter Park FL 32789

NMLS #284174



UMBS 5.0 98.44 -0.07 | 10YR 4.409% +0.023% 6/25/2026 5:59AM EST

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

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
Thursday, Jun 25				
8:30AM	Jun/13 Continued Claims (k) ☆	1821.0K	1800K	1810K
8:30AM	Jun/20 Jobless Claims (k) ☆	215.0K	225K	226K
8:30AM	May PCE prices (m/m) (%) ☆	0.4%	0.5%	0.4%
8:30AM	Q1 GDP Final Sales (%)	1.9%	1.5%	0.3%
8:30AM	Q1 GDP (%) ★	2.1%	1.6%	0.5%
8:30AM	Q1 Corporate profits (%)	0.5%	-0.4%	5.7%
8:30AM	May PCE (y/y) (%) ☆	4.1%	4.1%	3.8%
8:30AM	May Durable goods (%) ☆	-4.5%	-4.5%	7.9%
8:30AM	May Core PCE (y/y) (%) ★	3.4%	3.4%	3.3%
8:30AM	May Core CapEx (%) ☆	1.6%	0.6%	-1.1%
8:30AM	Q1 PCE Prices (Q/Q) ☆	4.6%	4.5%	2.9%
8:30AM	May Core PCE (m/m) (%) ★	0.3%	0.3%	0.2%
8:30AM	Q1 Core PCE Prices QoQ ☆	4.40%	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 ☆			
Friday, Jun 26				
10:00AM	Jun U Mich conditions ☆		48.9	45.8
10:00AM	Jun Consumer Sentiment (ip) ☆		50	44.8
10:00AM	Jun Sentiment: 5y Inflation (%) ☆		3.4%	3.9%
10:00AM	Jun Sentiment: 1y Inflation (%) ☆		4.6%	4.8%
10:30AM	Fed Williams Speech ☆			
11:30AM	Fed Kashkari Speech ☆			