

MARKET SUMMARY

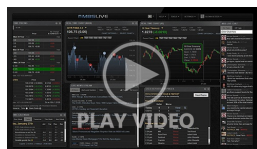
Complete Recap of Today's Market Activity

Weekend Weakness And Another Showdown With a Technical Ceiling

Market Summary: Monday, July 13, 2026 - 4:31PM

Bonds are weaker to start the new week and the catalyst is simple. The U.S. ramped up air strikes in Iran, both in terms of number and distance inland. Iran responded by hitting various allied targets. Perhaps more importantly for financial markets, shipping traffic has returned back to war-time lows after a noticeable surge in the 2nd half of June. Oil prices launched higher overnight and bond yields followed. Still, the market doesn't view these punches and counterpunches as a sign of perpetual war, but rather a negotiation strategy--at least for now. Were it otherwise, we'd be seeing oil prices jump a lot more than they did, and 10yr yields wouldn't be successfully bouncing at the 4.59 ceiling.

Latest Video Analysis



Some Bond-Specific Weakness in The Afternoon



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MBS & Treasury Markets

UMBS 5.5	99.47	-0.31	10YR	4.615%	+0.057%	7/13/2026 2:29PM EST
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Negative Reprice Risk Increasing

MBS are now down 10 ticks (.31) with 6 (.19) of those being seen since lender rate sheet print times. As such, jumpier lenders are now in a position to consider negative reprices.

10yr yields are up 5.6bps at 4.615

MBS MORNING: Weekend Weakness And Another Showdown With a Technical Ceiling

ALERT: Down an Eighth From AM Plateau

Today's Mortgage Rates

30YR Fixed 6.75% **+0.11%**

15YR Fixed 6.21% **+0.02%**

7/13/2026

Mortgage Rates Near 1-Year Highs

are based on bonds. Because the bonds underlying the average mortgage are fixed rate, inflation is the enemy. Imagine you're an investor fronting the money for a fixed-rate mortgage. You know your schedule of payments from day one. Let's say the payment is \$5 or enough to buy a dozen eggs.

Now let's say inflation raises the price of those eggs to \$7. You're still only receiving \$5 because you invested in a fixed-rate loan. Because of this dynamic, when inflation fears increase, investors demand higher rates of return.

We're dealing with two inflation threats right now: one is specific and one is general. The specific threat is that of elevated fuel prices stemming from the Iran war. As the fighting picked back up in July, so have rates. Today's war headlines were just the latest addition to the growing problem.

The general threat is a broad array of other prices in the marketplace that aren't directly impacted by fuel or tariffs. Fed governor Waller spoke about this additional inflation today and said that if it was high enough according to this week's inflation data (tomorrow and Wednesday) that the Fed could consider hiking rates as soon as this month.

So on the one hand, rates were already under pressure from the steady increase in fuel prices in recent days. Waller's comments added additional pressure.

The result is a top-tier, 30yr fixed rate that has returned to 6.75% for the average lender. This matches the high seen on May 19th, and you'd have to go back more than 11 months to see anything higher.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Monday, Jul 13				
5:25AM	Fed Bowman Speech ☆			
12:30PM	Fed Waller Speech ☆			
2:00PM	Jun Federal budget (bl)	\$-120B	\$-132.8B	\$-293B
Tuesday, Jul 14				
6:00AM	Jun NFIB Business Optimism Index		95.6	95.3
8:15AM	ADP Employment Change Weekly			21.0K
8:30AM	Jun y/y CORE CPI (%) ★★		2.9%	2.9%
8:30AM	Jun y/y Headline CPI (%) ☆		3.8%	4.2%
8:30AM	Jun m/m CORE CPI (%) ★★		0.2%	0.2%
8:30AM	Jun m/m Headline CPI (%) ★		-0.1%	0.5%
10:00AM	Fed Chair Warsh Testimony ★★			
11:30AM	6-Week Bill Auction (%)			3.635%
12:40PM	Fed Barr Speech ☆			
1:00PM	Fed Goolsbee Speech ☆			
1:30PM	Fed Cook Speech ☆			
2:55PM	Fed Bowman Speech ☆			