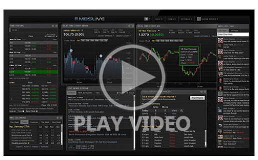
# Why Were 10yr Yields Only a Few bps Lower Today?

**Market Summary:** Wednesday, July 15, 2026 - 2:46AM

If you missed this morning's commentary, the gist is that inflation for June (via the CPI report) came in much lower than forecast (biggest "miss" in over a year). Given the market's preoccupation with inflation, this logically resulted in an immediate bond rally. 10yr yields only ended up a few bps lower by the end of the day. There are 3 key reasons. The first is purely mechanical and it has to do with the shorter-term rates benefitting the most. Fed Funds Futures did the best with the end-of-year implied rate falling an eighth of a point (or one half of a rate hike erased). It's common to see longer term bonds lag these moves with direct Fed rate implications. That said, we would have expected short term rates to do better as well were it not for the fact that fuel prices bottomed in June (when this data was collected) and have since been moving back up fairly quickly. The 3rd reason is related but more timely: fuel prices fell with bond yields into the 11am hour, but erased those gains after that.

Brendon Garcia
Broker/Owner,
Collaborative Capital
https://brendongarcia.com/
P: (805) 253-2053
brendon@brendongarcia.com
Westlake Village, California
NMLS# 278724
NMLS# 2385760

## Latest Video Analysis




Why Didn't Bonds Rally More After CPI

## MBS & Treasury Markets

| UMBS 5.5 | 99.74 | -0.01 | 10YR | 4.596% | +0.007% | 7/15/2026 12:44AM EST |
|---|---|---|---|---|---|---|

### Strong Start After Sharply Lower CPI

The Consumer Price Index came in FAR below expectations with a core reading of 0.0 vs 0.2 forecasts. In unrounded terms, it was -0.17%. Headline CPI was more sharply negative than expected at -0.4 vs a -0.1 forecast. Supercore (which excludes housing) was down -0.2 which is the first negative reading in over a year. Core goods also remained in negative territory for a second straight month. Bonds rallied instantly, led by the short end of the curve (more closely tied to Fed rate expectations). But even 10yr yields are down over 5bps and MBS are up more than 3/8ths of a point.

**ALERT:** Negative Reprice Risk Increasing

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

## Today's Mortgage Rates

| 30YR Fixed | 6.70% | -0.05% | 15YR Fixed | 6.20% | -0.01% | 7/14/2026 |
|---|---|---|---|---|---|---|

### Mortgage Rates Stage Moderate Recovery From Long-Term Highs

Our daily 30yr fixed rate index hit 6.75% yesterday. This matched the high from May 19th and is the highest level since late July 29, 2025. The key contributor to the recent spike has been the uptick in fuel prices in July combined with the fact that rates never made it any lower than 6.52% over the past 2 months. In other words, we were already in a high range and the uptick in fuel prices simply gave rates a push.

Heading into today, we knew there was potential volatility associated with 2 events: Fed Chair Warsh's congressional testimony and the monthly release of the Consumer Price Index (CPI)--a key inflation report.

The Warsh testimony had very little impact, but CPI was a different story. It showed inflation coming in much lower than expected in June. Lower inflation is generally good for rates. But the bond market is well aware that July could end up being a different story, thus limiting the exuberance of today's rate recovery with the rate index dropping only 0.05% to 6.70%.

[thirtyyearmortgagerates]

## Economic Calendar



| Time | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Wednesday, Jul 15** | | | | |
| 12:00AM | Roll Date - UMBS 15YR, Ginnie Mae 15YR | | | |
| 7:00AM | Jul/10 Mortgage Market Index | | | 266.3 |
| 7:00AM | Jul/10 MBA Refi Index | | | 794.4 |
| 7:00AM | Jul/10 MBA Purchase Index | | | 169.5 |
| 8:30AM | Jun PPI m/m (%) ☆ | | 0% | 1.1% |
| 8:30AM | Jun PPI y/y ☆ | | 6.2% | 6.5% |
| 8:30AM | Jul NY Fed Manufacturing ☆ | | 8.8 | 5.70 |
| 8:30AM | Jun Core PPI y/y (%) ☆ | | 5.2% | 4.9% |
| 8:30AM | Jun Core PPI m/m (%) ☆ | | 0.4% | 0.4% |
| 8:45AM | Fed Williams Speech ☆ | | | |
| 10:00AM | Fed Chair Warsh Testimony ★★ | | | |
| 10:30AM | Jul/10 Crude Oil Inventory (ml) | | -2.6M | 2.998M |
| 12:00PM | NOPA Crush Report (%) | | | |
| 1:00PM | Fed Cook Speech ☆ | | | |
| 2:00PM | Fed Beige Book | | | |
| 6:30PM | Fed Musalem Speech ☆ | | | |
| **Thursday, Jul 16** | | | | |
| 8:30AM | Jul/11 Jobless Claims (k) ☆ | | 217K | 215K |
| 8:30AM | Jul/04 Continued Claims (k) ☆ | | 1820K | 1814K |
| 8:30AM | Jul Philly Fed Prices Paid | | | 53.20 |
| 8:30AM | Jul Philly Fed Business Index ☆ | | 13 | 10.3 |
| 8:30AM | Jun Retail Sales (%) ★★ | | 0.2% | 0.9% |
| 8:30AM | Jun Retail Sales Control Group MoM ★★ | | 0.5% | 0.7% |
| 10:00AM | Jul NAHB housing market indx | | 35 | 35 |
| 10:00AM | May Business Inventories (% ) ☆ | | 0.3% | 0.5% |
| 10:00AM | Jun Pending Home Sales (%) ☆ | | -0.5% | 3.8% |
| 12:30PM | Fed Logan Speech ☆ | | | |
| 7:00PM | Fed Jefferson Speech ☆ | | | |