

MARKET SUMMARY

Complete Recap of Today's Market Activity

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

Market Summary: Wednesday, July 15, 2026 - 3:51AM

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.

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Why Didn't Bonds Rally More After CPI

UMBS 5.5	99.71	-0.04	10YR	4.601%	+0.012%	7/15/2026 5:50AM EST
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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
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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]

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 ☆			