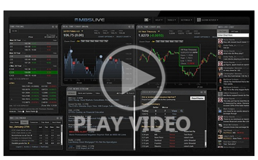
# MARKET SUMMARY
Complete Recap of Today's Market Activity

# Are Bonds High on Crack (Spreads)?

**Market Summary:** Thursday, July 16, 2026 - 3:20PM

The term "crack spread" is quickly becoming mainstream--especially over the past few weeks. It's more of a concept than a specific metric, but it most frequently refers to the margin between input and output costs for fuel (gas, diesel, etc). Petro-nerds seem to like the 3-2-1 crack spread, which covers both gas and diesel (3 barrels of oil margin vs 2 barrels of gas and 1 barrel of diesel). While it's true that we could simply look at RBOB or ULSD futures to gauge price changes at the pump, crack spreads speak to the current state of supply/demand imbalance. They suggest conditions remain tight for fuel prices. A widening crack spread suggests the move in gas prices is being reinforced by refined-product fundamentals rather than merely reflecting a change in crude oil. Notably, crack spreads have correlated with bonds better than individual fuel metrics when we examine large, long-term shifts in fuel prices. But in the medium term, fuel futures (like gas/diesel... not crude oil) are still probably even more relevant. Either way, looming fuel cost implications are weighing on bonds.

## Latest Video Analysis




Wednesday's Gains Had More Staying Power

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## MBS & Treasury Markets

| UMBS 5.5 | 99.89 | -0.09 | 10YR | 4.574% | +0.023% | 7/16/2026 1:14PM EST |
|---|---|---|---|---|---|---|

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But in the medium term, fuel futures (like gas/diesel... not crude oil) are still probably even more relevant. Either way, looming fuel cost implications are weighing on bonds.

**MBS MORNING:** PPI Does Its Best CPI Impression. Bonds Like It

**MBS MORNING:** Strong Start After Sharply Lower CPI

## Today's Mortgage Rates

| 30YR Fixed | 6.68% | +0.04% | 15YR Fixed | 6.19% | +0.01% | 7/16/2026 |
|---|---|---|---|---|---|---|

### Mortgage Rates Fall to Lowest Levels in a Week

moved lower again today following another lower-than-expected reading on an inflation report. Yesterday's Consumer Price Index (CPI) had a bigger impact on the underlying bond market, but today's Producer Price Index (PPI) wasn't far behind.

Additionally, bonds did a better job of holding onto the improvement into the afternoon hours. This allowed mortgage lenders to drop rates even more than they did yesterday (0.06% today versus 0.05% yesterday). This takes the average top-tier 30yr fixed rate to 6.64% which is the lowest in just over a week.

[thirtyyearmortgagerates]

## Economic Calendar

Last Week | This Week | Next Week

| Time | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Thursday, Jul 16** | | | | |
| 8:30AM | Jul/11 Jobless Claims (k) | 208K | 217K | 215K |
| 8:30AM | Jul/04 Continued Claims (k) | 1805K | 1820K | 1814K |
| 8:30AM | Jul Philly Fed Prices Paid | 53.90 | | 53.20 |
| 8:30AM | Jul Philly Fed Business Index | 41.4 | 13 | 10.3 |
| 8:30AM | Jun Retail Sales (%) | 0.2% | 0.2% | 0.9% |
| 8:30AM | Jun Retail Sales Control Group MoM | 0.5% | 0.5% | 0.7% |
| 10:00AM | Jul NAHB housing market indx | 34 | 35 | 35 |
| 10:00AM | May Business Inventories (% ) | 0.3% | 0.3% | 0.5% |
| 10:00AM | Jun Pending Home Sales (%) | -5.4% | -0.5% | 3.8% |
| 12:30PM | Fed Logan Speech | | | |
| 7:00PM | Fed Jefferson Speech | | | |
| **Friday, Jul 17** | | | | |
| 12:00AM | Roll Date - Ginnie Mae 30YR | | | |
| 8:30AM | Jun Housing starts number mm (ml) | | 1.31M | 1.177M |
| 8:30AM | Jun Import prices mm (%) | | -0.7% | 1.9% |
| 8:30AM | Jun Building Permits (ml) | | 1.40M | 1.41M |
| 9:15AM | Jun Industrial Production (%) | | 0.2% | 0.1% |
| 10:00AM | Jul Sentiment: 1y Inflation (%) | | | 4.6% |
| 10:00AM | Jul Sentiment: 5y Inflation (%) | | | 3.3% |
| 10:00AM | Jul Consumer Sentiment (ip) | | 51 | 49.5 |
| 10:00AM | Jul U Mich conditions | | 48.7 | 47.7 |