

MARKET SUMMARY

Complete Recap of Today's Market Activity

Are Bonds High on Crack (Spreads)?

Market Summary: Thursday, July 16, 2026 - 3:50PM

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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UMBS 5.5	99.90	-0.08	10YR	4.569%	+0.018%	7/16/2026 1:44PM 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
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Mortgage Rates Move Slightly Higher

While some news stories suggest that rates are the highest in 11 months today, that's not quite true. The highest rates of the year were seen on July 13th and May 19th when our 30yr fixed index hit 6.75%. The index was at 6.68% today, up from 6.64% yesterday.

Any news regarding "highest rates since August 2025" is almost certainly citing Freddie Mac's weekly rate index which takes a 5 day trailing average rate through Wednesday and reports it on Thursday.

As for the reason for today's increase, there really isn't a satisfying scapegoat. The strongest case to be made is that bond yields (highly correlated with) topped out at the same time as fuel price futures.

[thirtyyearmortgagerates]

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