MARKET SUMMARY

Complete Recap of Today's Market Activity

Bonds Grudgingly Giving Back Last Week's Inflation Rally

Market Summary: Tuesday, July 21, 2026 - 9:41AM

While last week's CPI and PPI reports were unabashedly great news, the bond market spent Friday and yesterday gradually unwinding most of the resulting gains. The least complicated way to approach this phenomenon would be to observe that fuel prices spent the same 2 days breaking to the highest levels since May 19th and they continue to hold near those highs today. Even without that fuel price rally, we were already skeptical that June inflation data was a durable justification for lower yields in light of the resurgence of the Iran war in July and the associated resurgence of inflation risks. As we discussed last week in the "crack spread" article, the x factor here is the fact that consumer fuel prices are doing much worse than oil prices suggest. A chart of 10yr yields vs gasoline futures makes this clear. In this context, bonds are actually a bit stronger than the May 19th correlation suggested.

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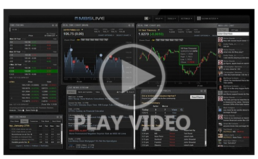
Latest Video Analysis



New Week. Same Old Story

MBS & Treasury Markets

UMBS 5.5	99.53	-0.12	10YR	4.622%	+0.029%	7/21/2026 11:40AM EST

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ALERT: Negative Reprice Risk Increasing

MBS MORNING: No Major Data Leaves Bonds to Trade on Vibes

Today's Mortgage Rates

30YR Fixed	6.75%	+0.04%	15YR Fixed	6.20%	+0.02%	7/21/2026

Mortgage Rates Bouncing Higher to Start The Week

Last week ended on a promising note with Friday's rates falling just barely below the previous Friday's levels. This was a relief after the top-tier 30yr fixed rate matched 11-month highs for the average lender earlier in the week.

Unfortunately, rates are starting the new week by heading back toward those highs. Our 30yr fixed rate index is up from 6.63% on Friday to 6.71% today.

Many lenders raised rates in the middle of the day in response to weakness in the bond market. In general, that weakness is underpinned by renewed fighting in Iran (or more specifically, the effect of that fighting on fuel prices).

[thirtyyearmortgagerates]

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Tuesday, Jul 21				
8:15AM	ADP Employment Change Weekly	16.5K		19.75K
11:30AM	6-Week Bill Auction (%)	3.650%		3.640%
Wednesday, Jul 22				
7:00AM	Jul/17 Mortgage Market Index			259.1
7:00AM	Jul/17 MBA Refi Index			821.9
7:00AM	Jul/17 MBA Purchase Index			157.2
9:20AM	NY Fed Bill Purchases 4 to 12 months (%)		$3.453 billion	
10:30AM	Jul/17 Crude Oil Inventory (ml)		-1.5M	-1.693M
1:00PM	20-Yr Bond Auction (bl)	13		