

# MARKET SUMMARY

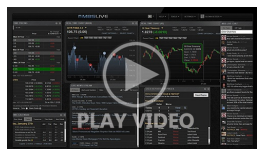
Complete Recap of Today's Market Activity

## Bonds Looking Somewhat Optimistic Ahead of CPI

Market Summary: Wednesday, August 12, 2026 - 8:45AM

Bonds improved modestly on Tuesday which is actually a somewhat resilient/optimistic showing. The ongoing correlation with oil prices suggested less improvement (oil actually closed higher on the day). In addition, it's usually less of a surprise to see bonds struggle to rally on the first half of an auction cycle week. Granted, a spicy CPI on Wednesday would easily push back against any optimistic narratives, but if the data is tame, perhaps we're seeing hints that bonds would be more willing to respond than normal.

### Latest Video Analysis



Bonds Looking Somewhat Optimistic Ahead of CPI



**Joshua Champneys**

Mortgage Broker, Empire Home Loans

[www.MortgageDad.com](http://www.MortgageDad.com)

**P:** (406) 616-3233

**M:** (630) 991-3340

[josh@empirehomeloans.com](mailto:josh@empirehomeloans.com)

Serving MT, ID, WA, OR, CA, AZ, CO, TN, TX, IL, IN, MN, OH, FL, SC, NC +

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|          |       |       |      |        |         |                       |
|----------|-------|-------|------|--------|---------|-----------------------|
| UMBS 5.5 | 99.30 | +0.11 | 10YR | 4.668% | -0.024% | 8/12/2026 6:39 AM EST |
|----------|-------|-------|------|--------|---------|-----------------------|

## Stronger Start on Yet Another Peace Deal Teaser

Bonds are rallying, and we have no objection to that. Reasons are simple and familiar enough that there's no sense in over-analyzing them. Newswires hit at 7am saying that Pakistan's defense minister said "things are shaping up in favor of peace" and that Pakistan's interior minister Khawaja Asif arrived in Tehran to discuss "matters of mutual interest."

Oil prices and bond yields are well versed in cautious reactions to such headlines. They're not ever going to cause a massive reaction, but just like the last 40-50 examples, they're enough for a noticeable but modest shift in trading levels.

- ALERT: Negative Reprice Risk Increasing Just a Bit More
- ALERT: MBS Down an Eighth Since 9:30am

## Today's Mortgage Rates

|            |       |        |            |       |        |           |
|------------|-------|--------|------------|-------|--------|-----------|
| 30YR Fixed | 6.79% | -0.01% | 15YR Fixed | 6.28% | -0.01% | 8/11/2026 |
|------------|-------|--------|------------|-------|--------|-----------|

## Mortgage Rates Sideways to Slightly Higher

It ended up being a remarkably uneventful day for . Some lenders were slightly higher than yesterday. Others were roughly unchanged. The difference came down to whether the lender in question raised rates yesterday afternoon.

What does this mean? Lenders prefer to set rates once per day around 10am ET. But if the underlying bond market makes a big enough move, lenders can change rates during the day. Bonds lost just enough ground yesterday for some lenders to raise rates. Contrast that to today where virtually every lender maintained the same levels throughout.

Tomorrow morning brings the latest release of the Consumer Price Index (CPI). This is one of the most important pieces of monthly economic data as far as rates are concerned. There's no way to know how it will impact rates ahead of time--only that a large deviation from expectations is likely to result in a larger-than-average move higher or lower.

| Time              | Event                           | Actual | Forecast | Prior   |
|-------------------|---------------------------------|--------|----------|---------|
| Wednesday, Aug 12 |                                 |        |          |         |
| 12:00AM           | Roll Date - UMBS 30YR           |        |          |         |
| 7:00AM            | Aug/07 MBA Refi Index           | 744.4  |          | 709.1   |
| 7:00AM            | Aug/07 Mortgage Market Index    | 248.6  |          | 240.0   |
| 7:00AM            | Aug/07 MBA Purchase Index       | 157.9  |          | 154.0   |
| 8:30AM            | Jul m/m CORE CPI (%) ★★         | 0.2%   | 0.2%     | 0%      |
| 8:30AM            | Jul y/y Headline CPI (%) ☆      | 3.4%   | 3.4%     | 3.5%    |
| 8:30AM            | Jul y/y CORE CPI (%) ★★         | 2.5%   | 2.5%     | 2.6%    |
| 8:30AM            | Jul m/m Headline CPI (%) ★      | 0.1%   | 0.1%     | -0.4%   |
| 10:30AM           | Aug/07 Crude Oil Inventory (ml) |        | -1.4M    | 2.479M  |
| 12:00PM           | WASDE Report (%)                |        |          |         |
| 1:00PM            | 10-yr Note Auction (bl) ★       |        | 42       |         |
| 2:00PM            | Jul Federal budget (bl)         |        | \$-346B  | \$-120B |
| Thursday, Aug 13  |                                 |        |          |         |
| 8:15AM            | Fed Hammack Speech ☆            |        |          |         |
| 8:30AM            | Jul Core PPI y/y (%) ☆          |        | 4.2%     | 4.7%    |
| 8:30AM            | Aug/08 Jobless Claims (k) ☆     |        | 202K     | 199K    |
| 8:30AM            | Aug/01 Continued Claims (k) ☆   |        | 1800K    | 1801K   |
| 8:30AM            | Jul PPI m/m (%) ☆               |        | 0.2%     | -0.3%   |
| 8:30AM            | Jul Core PPI m/m (%) ☆          |        | 0.3%     | 0.2%    |
| 8:30AM            | Jul PPI y/y ☆                   |        | 4.9%     | 5.5%    |
| 8:40AM            | Fed Barkin Speech ☆             |        |          |         |
| 1:00PM            | 30-Year Bond Auction ☆          |        |          | 5.058%  |
| 1:00PM            | 30-Yr Bond Auction (bl) ☆       |        | 25       |         |