MARKET SUMMARY

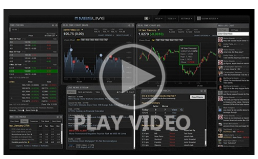
Complete Recap of Today's Market Activity

No Major Reaction to As-Expected CPI

Market Summary: Wednesday, August 12, 2026 - 4:51PM

It would have been hard for CPI to be any more boring. All key metrics came in perfectly in line with forecasts. Supercore (core minus housing), was 0.189, which is a monthly equivalent of "close enough to the 2.0% target." Core CPI itself was 0.215%, which extrapolates to 2.58% year-over-year. The volume response let's us know that traders were indeed ready to trade this data, but logically, it's hard to make a case for a directional bias when everything in the report was so bland. In other news, bonds rallied overnight, so "flat after CPI" means we're holding moderate gains.

Latest Video Analysis



Bonds Looking Somewhat Optimistic Ahead of CPI

Dan Clifton

The Home Loan Guru,
Clifton Mortgage Solutions

CliftonMortgageSolutions.com

P: (888) 681-0777

M: (407) 252-3039

dan@cliftonmortgagesolutions.com

1177 Louisiana Ave
Winter Park FL 32789

NMLS #284174

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MBS & Treasury Markets

UMBS 5.5	99.30	+0.11	10YR	4.684%	-0.008%	8/12/2026 2:49PM EST

Negative Reprice Risk Increasing

Bonds just drifted to slightly weaker levels. MBS are still up 3 ticks on the day, but pushing into new lows. Previously, we were looking at an eighth point gap from AM highs. Now that's up to 5 ticks (.16) depending on when you look. The tie breaking vote to send this alert was cast by Treasury yields rising more definitively to the higher of the day (something that could add some pressure for MBS in the coming minutes).

Bottom line, you still might not see many reprices, but the risks are just a bit higher than they were at the time of the last alert.

ALERT: Down an Eighth From Highs

MBS MORNING: No Major Reaction to As-Expected CPI

Today's Mortgage Rates

30YR Fixed	6.74%	-0.05%	15YR Fixed	6.27%	-0.01%	8/12/2026

Mortgage Rates Back at 3 Week Lows

Mortgage lenders set rates around 10am ET every day, but the bond market dictates the day to day changes, and bonds were on the move throughout the overnight trading hours. Granted, the movement wasn't extreme, but much like yesterday, it suggested a bit of optimism heading into this morning's main event: the release of July's Consumer Price Index (CPI).

CPI is one of the two big inflation reports on any given month (the other being PCE) and it has more potential to cause a reaction because it comes out 2 weeks before PCE. Given that last month's CPI showed a sharp drop in inflation and that July's fuel prices had bounced back up, the market was very focused on what the data would actually reflect.

As it happened, forecasters nailed it. All the top-line numbers were right in line with consensus estimates. This is apparently the result that the bond market had been positioning for. There was no additional improvement in bonds after the data, but arguably a fair amount of improvement in anticipation of just such a result.

The net effect is that the average top-tier 30yr fixed rate returned precisely in line with the 3-week lows seen last Friday.

[thirtyyearmortgagerates]

Economic Calendar

Last Week | This Week | Next Week

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)	17.422M	-1.4M	2.479M
12:00PM	WASDE Report (%)			
1:00PM	10-yr Note Auction (bl) ★	42		
2:00PM	Jul Federal budget (bl)	$-432B	$-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	