MARKET SUMMARY
Complete Recap of Today's Market Activity

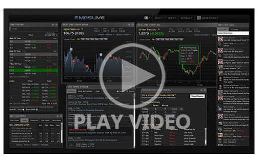
Bonds End Flat After Front-Running The Decent Data

Market Summary: Thursday, August 13, 2026 - 7:22AM

We absolutely hate the term "front-running" because it can be perceived as connoting some measure of clairvoyance on the part of the bond market. To be clear, that's not the contention here. Rather, we noted that bonds were trading somewhat optimistically yesterday in that they outperformed their typical correlation with oil prices. That theme continued overnight and promptly ended when CPI came out right in line with forecasts. There are several ways to reconcile this turn of events, but one of the easiest is to speculate that traders indeed saw some sort of asymmetric risk in favor of bond buying ahead of CPI. The rest of the day was spent gradually returning to unchanged levels with yields still doing their best to defend longer-term ceilings (around 4.70% in terms of the 10yr).

Matt Graham
Founder and CEO, MBS Live

Latest Video Analysis



Bonds End Flat After Front-Running The Data

MBS & Treasury Markets

UMBS 5.5	99.43	+0.15	10YR	4.669%	-0.027%	8/13/2026 5:19AM 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
Thursday, Aug 13				
8:15AM	Fed Hammack Speech			
8:30AM	Jul Core PPI y/y (%)	4.2%	4.2%	4.7%
8:30AM	Aug/08 Jobless Claims (k)	209K	202K	199K
8:30AM	Aug/01 Continued Claims (k)	1,777K	1800K	1801K
8:30AM	Jul PPI m/m (%)	0%	0.2%	-0.3%
8:30AM	Jul Core PPI m/m (%)	0.2%	0.3%	0.2%
8:30AM	Jul PPI y/y	4.7%	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	
Friday, Aug 14				
8:30AM	Jul Retail Sales Control Group MoM		0.3%	0.5%
8:30AM	Jul Retail Sales (%)		0.1%	0.2%
10:00AM	Aug Sentiment: 1y Inflation (%)			4.2%
10:00AM	Aug U Mich conditions		55	54.8
10:00AM	Aug Sentiment: 5y Inflation (%)			3.3%
10:00AM	Jun Business Inventories (%)		0.1%	0.3%
10:00AM	Aug Consumer Sentiment (ip)		54.5	55.2