

MARKET SUMMARY

Complete Recap of Today's Market Activity

Thank You PPI

Market Summary: Thursday, August 13, 2026 - 12:49PM

If nothing else, this morning offers confirmation of just how nervous the market is about inflation. The producer price index barely beat its forecast (in fact y/y CORE PPI was on the screws), but this was enough for bonds to add on to modest overnight gains in a modestly enthusiastic way. We almost never see this much of a reaction to this small of a beat/miss in PPI. The other consideration is that oil has been trending lower since 3am, and bonds stayed almost perfectly flat from 4am-8:30am, but this should only be viewed as a small supporting actor in this morning's rally. Stocks jumped at 9:30am as well, arguably adding evidence that retail stock investors appreciated the inflation message as well.

Latest Video Analysis



Bonds End Flat After Front-Running The Data



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MBS & Treasury Markets

UMBS 5.5	99.69	+0.40	10YR	4.620%	-0.077%	8/13/2026 10:44AM EST
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ALERT: Negative Reprice Risk Increasing

ALERT: Down an Eighth From Highs

30YR Fixed	6.69%	-0.05%	15YR Fixed	6.26%	-0.01%	8/13/2026
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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]

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) ☆	1777K	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 ☆	5.216%		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%
9:00AM	Fed Venable Speech ☆			
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