MARKET SUMMARY

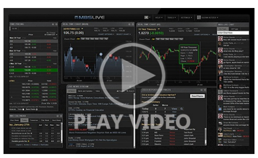
Complete Recap of Today's Market Activity

Making Some Sense of The Paradoxical Reaction

Market Summary: Saturday, August 15, 2026 - 8:25AM

Retail sales came in at -0.6 vs +0.1 forecast. Even the "control group" (excludes autos/gas/building materials) was -0.4% versus +0.3%. On most any other occasion, this would result in an obvious rally for bonds. To be fair, it did that at first, but then we spent the rest of the day selling off. Here's why: online store sales led the drop, both in the headline and control group. Forecasters did a crappy job of accounting for Amazon moving Prime day to July--possibly because they were preoccupied with oil-related volatility last month. The rest of the weakness was directly or indirectly related to fuel price deflation. Data aside, it was a rally week for bonds, and we often see Friday position squaring on rally weeks. Last but not least, inflation expectations ticked higher again in the Consumer Sentiment data.

Latest Video Analysis



Making Some Sense of The Paradoxical Selling

MBS & Treasury Markets

UMBS 5.5	99.39	-0.22	10YR	4.693%	+0.050%	8/14/2026 5:00PM EST

Negative Reprices Slightly More Likely

MBS are down another few ticks and 10yr yields are pushing news highs for the day. The average lender is now seeing almost 6 ticks (.19) of weakness from morning rate sheet print times. That makes negative reprices a stronger possibility compared to at the time of the morning's first alert.

ALERT: MBS Now Down an Eighth From Some Rate Sheet Print Times

MBS MORNING: Good Luck Making Sense of Retail Sales Reaction

Today's Mortgage Rates

30YR Fixed	6.71%	+0.02%	15YR Fixed	6.29%	+0.03%	8/14/2026

Mortgage Rates Slightly Higher to End The Week

First, the bad news: ended the day just a hair higher compared to Thursday, but the change was so small that many borrowers will see little--if any--difference in pricing.

Now the good news: apart from yesterday afternoon, today's rates would still be the lowest in 4 weeks (i.e. you'd have to go back to July 17th to see anything lower).

Lastly, some news that's neither good nor bad, but simply a bit confusing. Today's higher rates followed this morning's Retail Sales report which came in much weaker than expected. Conventional wisdom would have suggested that weaker data coincides with lower rates.

One issue is that Retail Sales is not in the same league as top tier economic reports like the inflation data seen earlier this week or the jobs report seen last Friday. Also, there can be more nuance to the retail sales data by the time traders consider temporary factors and timing.

Lastly, sometimes the bonds market (bonds dictate rate movement) has simply done as well as it's going to do on any given week and it would take a much bigger surprise to overcome trading momentum that is happening for non-data-related reasons. In other words, traders can push back against the week's prevailing momentum on Friday simply as a byproduct of closing out the week's trading positions.

[thirtyyearmortgagerates]

Economic Calendar

Time	Event	Actual	Forecast	Prior
Friday, Aug 14				
8:30AM	Jul Retail Sales Control Group MoM	-0.4%	0.3%	0.5%
8:30AM	Jul Retail Sales (%)	-0.6%	0.1%	0.2%
9:00AM	Fed Venable Speech			
10:00AM	Aug Sentiment: 1y Inflation (%)	4.3%		4.2%
10:00AM	Aug U Mich conditions	51.8	55	54.8
10:00AM	Aug Sentiment: 5y Inflation (%)	3.3%		3.3%
10:00AM	Jun Business Inventories (%)	0%	0.1%	0.3%
10:00AM	Aug Consumer Sentiment (ip)	51.0	54.5	55.2
Monday, Aug 17				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
8:30AM	Aug NY Fed Manufacturing		10.2	15.60
10:00AM	Aug NAHB housing market indx		33	34
12:00PM	NOPA Crush Report (%)			