

MARKET SUMMARY

Complete Recap of Today's Market Activity

Bonds Rally After Treasury Buyback Announcement (NOT QE)

Market Summary: Wednesday, August 19, 2026 - 2:00PM

At 8:30am, Treasury announced it would double the size of the existing buyback program from \$2 to \$4 billion for 10-30yr maturities. This sounds like a big deal, but it's only really a medium deal. It's not QE and it never was. Treasury has been conducting buyback operations for more than 2 years and the primary purpose is to support **LIQUIDITY** in the bond market rather than to influence yield levels. Nonetheless, the bond market can't help but experience some impact to yield when these things are announced/changed simply because it affects the composition of buying demand. Specifically, if Treasury is buying **illiquid**, older securities from sellers who might have otherwise not even tried to sell them. This frees up their balance sheet space to do "other stuff" in the bond market ranging from "buying more short-term Treasury debt" to simply serving as another source of general **liquidity** at a time where **liquidity** is a steadily increasing concern.



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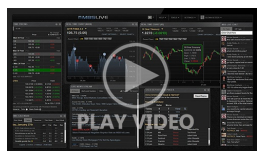
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Boring Day But at Least it Ended Green

MBS & Treasury Markets

UMBS 5.5	99.47	+0.21	10YR	4.652%	-0.054%	8/19/2026 11:54AM EST
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MBS Down More Than an Eighth From Highs

MBS are still an eighth of a point higher on the day, but down 5 ticks (16) from the AM highs. Those highs happened fairly close to the earliest lenders' rate sheet print times. As such, negative reprices can't be ruled out completely even though it would probably take another tick or two of weakness for the average lender to pull the trigger.

MBS MORNING: Bonds Rally After Treasury Buyback Announcement (NOT QE)

MBS MORNING: Weaker Start, But Traders Buying The Dip

Today's Mortgage Rates

30YR Fixed	6.72%	-0.03%	15YR Fixed	6.27%	-0.04%	8/19/2026
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Mortgage Rates Continue Higher Despite Bond Market Improvement

rose for the third straight day on Tuesday with the average top-tier 30yr fixed rate moving up a modest 0.02% to 6.75%. Notably, the bond market was actually in slightly better shape compared to yesterday--something that would normally be good news for rates.

So what's the catch? As is often the case when bonds and mortgages disagree, the x factor is timing. Mortgage lenders prefer to release rates once per day (usually around 10am ET) and they only change rates if the underlying bond market makes a big enough move in either direction.

Bonds lost ground yesterday, but not enough for the average lender to go to the trouble of raising the rates set earlier in the day. As such, lenders had to adjust for that bond market weakness with this morning's offerings. Ironically, the opposite dynamic is playing out today with bonds improving versus opening levels, but not by enough for the average lender to drop the rates set this morning.

Now for some context in 3 different levels: current levels are slightly below the mid-point of the past 4 weeks, but the past 4 weeks are at the top of the range seen over the past year. Lastly, the past year has been the the best 12 month stretch for rates since late 2022 and present rates remain below the mid-point of the past 4 years.

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
Wednesday, Aug 19				
12:00AM	Roll Date - Ginnie Mae 30YR			
7:00AM	Aug/14 Mortgage Market Index	247.7		248.6
7:00AM	Aug/14 MBA Purchase Index	154.8		157.9
7:00AM	Aug/14 MBA Refi Index	755.9		744.4
10:30AM	Aug/14 Crude Oil Inventory (ml)	4.405M	-0.6M	17.422M
1:00PM	20-Yr Bond Auction (bl)	16		
2:00PM	FOMC Minutes ★★			
Thursday, Aug 20				
8:30AM	Aug/15 Jobless Claims (k) ☆		210K	209K
8:30AM	Aug Philly Fed Prices Paid			53.90
8:30AM	Aug/08 Continued Claims (k) ☆		1790K	1777K
8:30AM	Aug Philly Fed Business Index ☆		25	41.4
10:00AM	Jul CB Leading Index MoM (%)		0.1%	-0.2%
1:00PM	30-Yr Bond Auction (bl) ☆	8		