MARKET SUMMARY

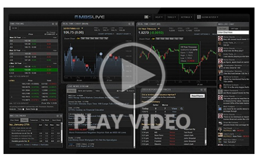
Complete Recap of Today's Market Activity

Bonds Pouting After Higher PCE

Market Summary: Wednesday, August 26, 2026 - 2:21PM

To be fair, not all of the PCE data was higher than expected, but none of the top line numbers were lower than expected. Core PCE was on target but headline inflation was a tenth of a point above the monthly and annual targets. Traders were apparently positioned for better news as the bond market's immediate response has been moderately quick sell-off. MBS are starting out down more than an eighth and 10yr yields are up more than 2bps from pre-data levels.

Latest Video Analysis



Bonds Rally on Peace Deal Hopes

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MBS & Treasury Markets

UMBS 5.5	99.43	-0.24	10YR	4.667%	+0.038%	8/26/2026 12:19PM EST

Heads Up: Weakest Levels But 10yr Holding

There as a moment of volatility right after the 5yr Treasury auction, but both 5yr and 10yr Treasuries are holding in line with the AM highs.

5.5 MBS are another 1 tick (.03) lower than the AM lows and have been flirting with an eighth of a point of weakness versus the 11am highs. Negative reprices are not yet justified by these losses. It would take another 2 ticks (.06) for that to change.

MBS MORNING: Bonds Pouting After Higher PCE

MBS MORNING: Oil Down, Yields Down

30YR Fixed	6.75%	+0.01%	15YR Fixed	6.32%	+0.01%	8/26/2026

Mortgage Rates Follow Oil Prices Lower

Fuel prices continue dictating most of the day-to-day momentum for and today was a notable example. Early this morning, news reports suggested progress in the peace process via Pakistani mediators. Oil prices dropped sharply in response and bond yields followed the move.

Bond yields correlate with . When yields are falling, mortgage lenders are generally able to offer lower rates than they otherwise would have, depending on the timing and size of the move. In today's case, it was good for a 0.04% drop in average top-tier 30yr fixed mortgage rates--resulting in the lowest levels in nearly a week.

[thirtyyearmortgagerates]

Economic Calendar

Time	Event	Actual	Forecast	Prior
Wednesday, Aug 26				
7:00AM	Aug/21 MBA Refi Index	740.8		755.9
7:00AM	Aug/21 MBA Purchase Index	154.4		154.8
7:00AM	Aug/21 Mortgage Market Index	245.3		247.7
8:30AM	Q2 Corporate profits (%)	8.2%		0.5%
8:30AM	Q2 PCE Prices (Q/Q) ☆	5.3%	5.1%	4.6%
8:30AM	Jul PCE prices (m/m) (%) ☆	0.2%	0.1%	-0.1%
8:30AM	Q2 GDP Final Sales (%)	2.2%	2.2%	1.9%
8:30AM	Q2 Core PCE Prices QoQ ☆	3.6%	3.4%	4.4%
8:30AM	Jul Durable goods (%) ☆	1.1%	0.5%	0.3%
8:30AM	Jul Core PCE (y/y) (%) ★	3.3%	3.3%	3.3%
8:30AM	Jul Core PCE (m/m) (%) ★	0.2%	0.2%	0.1%
8:30AM	Jul Core CapEx (%) ☆	0.2%	0.9%	0.9%
8:30AM	Jul PCE (y/y) (%) ☆	3.7%	3.6%	3.7%
8:30AM	Q2 GDP (%) ★	1.5%	1.5%	2.1%
10:30AM	Aug/21 Crude Oil Inventory (ml)	0.095M	0.6M	4.405M
11:30AM	2-Yr Note Auction (bl)	28		
11:30AM	2-Year FRN Auction (%)	0.055%		0.050%
11:45AM	Fed Barkin Speech ☆			
1:00PM	5-Yr Note Auction (bl) ★	70		
8:00PM	Jackson Hole Symposium ☆			
Thursday, Aug 27				
8:30AM	Aug/22 Jobless Claims (k) ☆		208K	206K
8:30AM	Aug/15 Continued Claims (k) ☆		1790K	1799K
1:00PM	7-Yr Note Auction (bl) ★		44	
8:00PM	Jackson Hole Symposium ☆			