

MARKET SUMMARY

Complete Recap of Today's Market Activity

Did Japan Sell Treasuries Today?

Market Summary: Monday, September 21, 2026 - 5:36AM

Bonds sold off medium big on Friday in a move that offered little by way of overt explanations. There were reports of "rate checks" in the USD/JPY market--something that CAN precede the selling of U.S. bonds in order to buy JPY. Notably, there were no reports of actual intervention, but sometimes these things aren't revealed until the following trading day. If this explains today's weakness (and to be clear, we're not sure it does), it would be good for the U.S. bond market as it would mean 10yr yields still held under 5% despite added, artificial pressure. Causality investigations aside, we'd focus on the fact that 10yr yields held under 5% (albeit just barely), which is right where they were on the Tuesday afternoon before Fed day.



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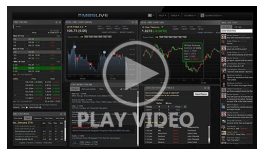
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Did Japan Sell Treasuries Today?

MBS & Treasury Markets

UMBS 6.0	99.80	+0.12	10YR	4.951%	-0.042%	9/21/2026 7:35AM EST
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Why Are Bonds Selling Today?

After Thursday's rather triumphant trading session in the bond market, today's moderate losses may be unpleasant or surprising to some. But they should be neither. Thursday was a bit exuberant in a good way, and Fridays often see position squaring. A bit of a pull-back is not only survivable but arguably more logical this morning, especially with oil prices being modestly higher. Bottom line: if MBS manage to hold this line without losing much more than a quarter point, and if 10yr yields end below 5%, compare today's closing levels to Tuesday's, consider that the Fed hiked this week and added 1-2 more hikes to the near-term outlook, and that bonds are somehow still better than the day before Fed day.

MBS MORNING: Stars Aligning, Oil Falling, Or Some of Both?

ALERT: Negative Reprice Risk Increasing

Today's Mortgage Rates

30YR Fixed	7.20%	+0.01%	15YR Fixed	6.83%	+0.02%	9/18/2026
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Mortgage Rates Only Modestly Higher Despite Bond Market Losses

We'd be the first to remind you that are primarily determined by trading levels in the bond market--specifically those for mortgage-backed securities (MBS). That said, there are days where rates don't do exactly what MBS suggest. Today was one of them.

According to the bond market, mortgage rates should have been much higher than they were yesterday. As it stands, the average lender was just barely higher.

The discrepancy comes down to the volatility experienced earlier in the week. Lenders have some latitude when it comes to setting mortgage rates. If the underlying market is moving rapidly, lenders may make bigger or smaller adjustments depending on the direction of the move.

In this week's case, yesterday's bond market improvement suggested a sharper drop in rates than we actually saw. In other words, lenders were playing it slightly safer than they needed to. That turned out to have been a good decision, and it meant that they weren't forced to chase the bond market into weaker territory today.

The bottom line is that today's rates were technically only 0.01% higher than yesterday's on average, and also right in line with the rates seen on Wednesday morning before the Fed announcement.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Monday, Sep 21				
6:30AM	Fed Goolsbee Speech ☆			
8:00PM	UN General Assembly (%) ☆			
Tuesday, Sep 22				
8:15AM	ADP Employment Change Weekly			16.25K
10:05AM	Fed Williams Speech ☆			
10:20AM	Fed Jefferson Speech ☆			
11:30AM	6-Week Bill Auction (%)			3.850%
1:00PM	2-Yr Note Auction (bl)		69	
1:00PM	Fed Barkin Speech ☆			
8:00PM	UN General Assembly (%) ☆			