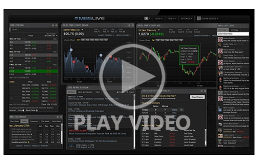
Stronger Start as Oil Continues Lower

Market Summary: Monday, September 21, 2026 - 9:38AM

While the Fed may have requested a majority of the market's attention last week, oil prices were saying "ahem... over here." Now this morning, the post-Fed trade is even farther in the rearview and oil is offering even louder reminders with the price per barrel now under $93 after cresting $106 last Tuesday. There is no big-ticket econ data on tap all week, and especially not today or tomorrow. Multiple Fed officials are speaking, but we're not sure what they could say that would tell us any more than last week's announcement/dots/press conference. Bottom line: all eyes on oil and war headlines until further notice.

Latest Video Analysis



Did Japan Sell Treasuries Today?

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MBS & Treasury Markets

UMBS 6.0	99.80	+0.12	10YR	4.951%	-0.042%	9/21/2026 7:34AM EST

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

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

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 (%) ☆			