MARKET SUMMARY

Complete Recap of Today's Market Activity

Why Bonds Sold Off So Severely Today

Market Summary: Wednesday, September 23, 2026 - 9:20PM

The only number higher than the amount of bonds sold today is the number of people rushing to judgment about "WHY." It wasn't a diesel export ban (or lack thereof), higher oil prices, or the 5yr Treasury auction (see today's recap video if need proof).

The initial pop at 9:45am was entirely driven by S&P PMI data. A majority of the selling since then has occurred in stunningly linear fashion without any "event risk" volume spikes. It has also largely tracked with stock losses. This is exactly what it looks like when a big outlier in econ data hits a nervous market that's on the edge of its seat waiting for data to speak to a recent shake up in the Fed rate hike outlook. To be clear, we're not saying 10yr yields are 15bps higher because of an S&P PMI report. Rather, it was a catalyst for a technical breakout and repricing of risks surrounding next week's more important economic data. Bottom line, if today's PMI saying anything about next week's PMIs (and jobs report), it's safer to sell now and cover later if today's data proves to have been a false alarm.

Latest Video Analysis

Why Bonds Sold Off So Severely Today

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MBS & Treasury Markets

UMBS 6.0	98.91	-0.92	10YR	5.112%	+0.147%	9/23/2026 5:59PM EST

MBS Now Down Over Half a Point

MBS are now down half a point on the day and another eighth of a point below the levels at the time of the last alert.

Many lenders had not yet published rate sheets when that alert came out. They're waiting for the dust to settle and their initial sheets will be ugly.

The precious few lenders that published rate sheets at or before, say, 9:50am (or any lender whose rates weren't much worse than yesterday's) are likely to be considering negative reprices.

MBS MORNING: Sharply Weaker on Oil and Econ Data

ALERT: Losing Ground After Data and Headlines

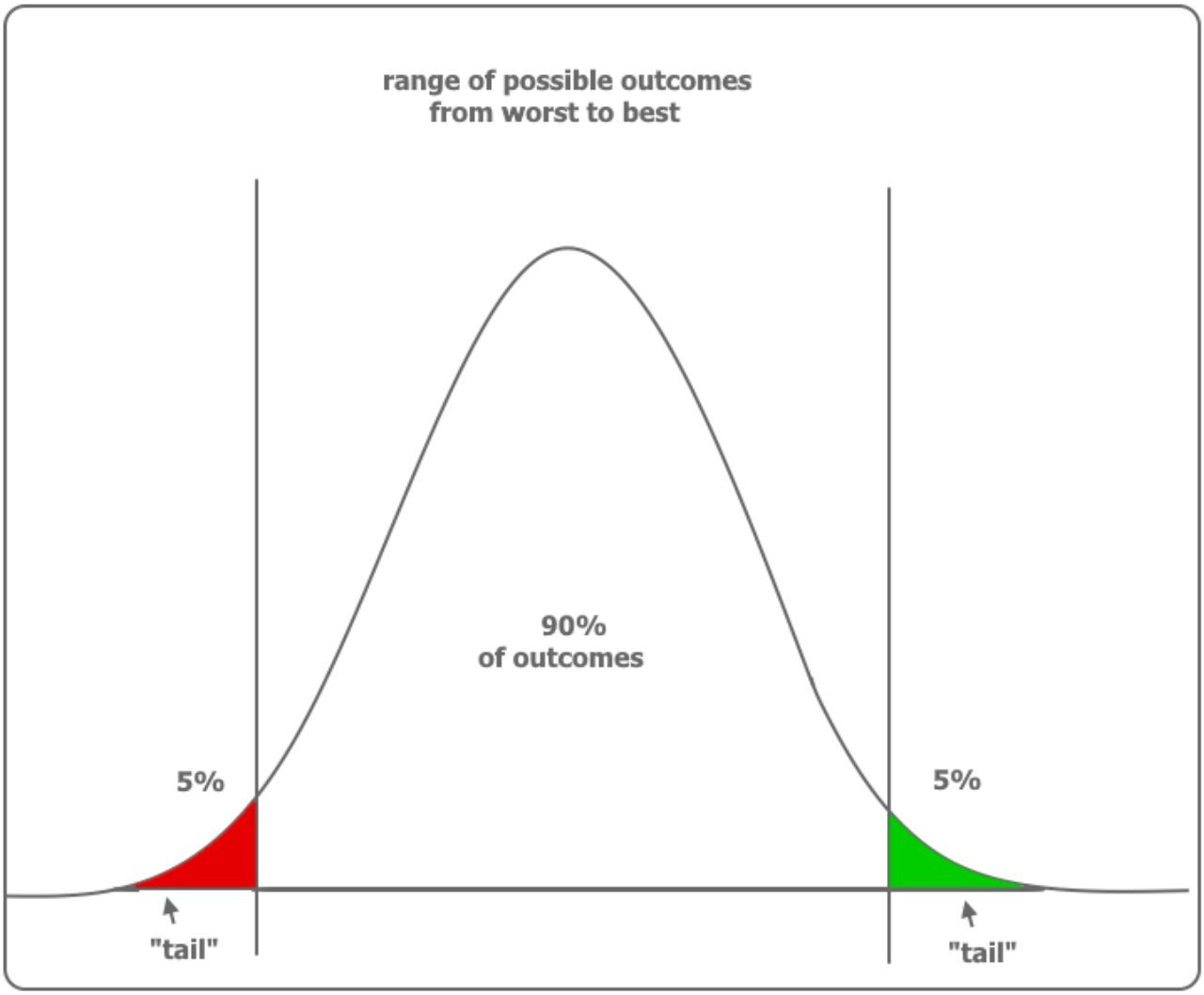
Today's Mortgage Rates

30YR Fixed	7.26%	+0.09%	15YR Fixed	6.87%	+0.04%	9/23/2026

Mortgage Rates Match Highest Level Since May 2024

The day began like many others over the past several weeks. Bonds hadn't moved much overnight, but were paying some attention to slightly higher oil prices. 10yr Treasury yields were still in the familiar September range between 4.93% and 5.01%, and there was limited economic data on tap that threatened to upset the apple cart.

Now let's talk about tail risk. It refers to a distribution of potential outcomes for something that can be reasonably forecasted with a margin of error. A vast majority of the outcomes fall in the main body of the parabolic distribution, but occasionally, an outcome will fall at one of the tails.



While this week's economic calendar is indeed very light, today's lineup included a report that can have a big impact on rates on very rare occasions. The results of that report were so much stronger than expected as to constitute "tail risk" territory.

This is a particularly bad time for such tail risk as far as the rate market is concerned. Only yesterday, we had Fed speakers reminding us that if the economy proved to be hotter than expected, the rate hike outlook shared at least week's Fed announcement would be "too low." Today's data immediately forced the market to consider the risk that next week's data (which is much more important) conveys a similarly strong message.

The result was a rapid shift in Fed rate expectations for next year. While longer term rates don't react to a Fed rate hike after the fact, they're more than willing to react to changes in rate hike expectations. 10yr Treasury yields jumped over 5.1% and the average top-tier 30yr fixed rate jumped 0.09% to 7.26%. This matches the high seen in early 2025. At this point, we'd have to go back to May 1, 2024 to see anything higher.

[thirtyyearmortgagerates]

Economic Calendar

Time	Event	Actual	Forecast	Prior
Wednesday, Sep 23				
7:00AM	Sep/18 Mortgage Market Index	227.3		230.8
7:00AM	Sep/18 MBA Purchase Index	154.9		156.2
7:00AM	Sep/18 MBA Refi Index	611.0		627.1
9:45AM	Sep S&P Global Composite PMI ☆	58.4		56
9:45AM	Sep S&P Global Manuf. PMI ☆	57	53.6	53.9
9:45AM	Sep S&P Global Services PMI ☆	58.7	56	56.5
10:05AM	Fed Barr Speech ☆			
10:30AM	Sep/18 Crude Oil Inventory (ml)	2.969M	-0.6M	-0.64M
11:30AM	2-Yr Note Auction (bl)	28		
11:30AM	2-Year FRN Auction (%)	0.040%		0.055%
1:00PM	5-Yr Note Auction (bl) ★	70		
8:00PM	President Trump and President Xi Summit (%) ★★			
8:00PM	UN General Assembly (%) ☆			
Thursday, Sep 24				
4:10AM	Fed Williams Speech ☆			
8:00AM	Fed Barkin Speech ☆			
8:30AM	Aug Building Permits (ml)		1.394M	1.433M
8:30AM	Sep/12 Continued Claims (k) ☆		1750K	1730K
8:30AM	Sep/19 Jobless Claims (k) ☆		201K	196K
8:50AM	Fed Hammack Speech ☆			
8:50AM	Fed Hammack Speech ☆			
9:20AM	NY Fed Bill Purchases 4 to 12 months (%)		$1.946 billion	
10:00AM	Aug New Home Sales (ml) ☆		0.62M	0.607M
10:00AM	Aug New Home Sales (%) (%)			-10.5%
10:10AM	Fed Paulson Speech ☆			
1:00PM	7-Yr Note Auction (bl) ★		44	
8:00PM	UN General Assembly (%) ☆			