# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Respectable Recovery. Is It a Trap?

**Market Summary:** Sunday, September 27, 2026 - 8:32AM

First thing's first: the parabolic flourish of bond selling of the past 2 weeks is arguably unprecedented in recent memory. Specifically, we've seen similar levels of overall weakness over similar time frames, but we haven't seen the same sort of concentrated acceleration of selling at the tail end of a months-long selling trend. The only remotely comparable precedent was late September 2023 when a Fed dot plot surprised the market with a higher rate outlook followed by 2 weeks of stronger-than-expected econ data. There was a decent recovery on several occasions on the way up, but a sustainable recovery didn't start until early November. Throughout that process, it was data that set the tone. With that in mind, we're heading into a week with big-ticket data and we expect bonds to take cues accordingly. Of course oil and war headlines continue to matter as well. While today's recovery was "nice," it doesn't make any guarantees about where we'll end up next week. That said, it very well could indicate that bonds have sold as much as they need to sell unless next week's data/events add additional provocation.


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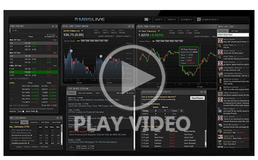
### Latest Video Analysis




Respectable Recovery and a Breakdown of MBS Outperformance

### MBS & Treasury Markets

| | | | | | | |
|---|---|---|---|---|---|---|
| UMBS 6.0 | 98.84 | +0.65 | 10YR | 5.160% | -0.041% | 9/25/2026 5:00PM EST |

## Bonds Snap Back to Strongest Levels on War Headlines

"Iran-US Talks Enter Technical Stage, Al-Jazeera Journalist Reports – CBS"

Oil prices dropped from 94 to under 92 almost instantly on that headline and 10yr yields are following, now down 3.4bps at 5.167.

MBS are up nearly 3/8ths of a point and at the day's best levels.

**MBS MORNING:** More Mid-Morning Selling, But MBS Outperforming

**ALERT:** Yes, a Reprice Alert Already (Sorry)

| 30YR Fixed | 7.43% | -0.02% | 15YR Fixed | 7.10% | +0.00% | 9/25/2026 |
|---|---|---|---|---|---|---|

# Mortgage Rates Had a Better Day, Ultimately Dropping Just Slightly

(NOTE: This article was updated at 5:30pm from the version originally published at 2:36pm ET to reflect late day rate improvements).

have risen more than half a point in 2 weeks. While that's certainly not the fastest jump we've seen, it is an extraordinarily uncommon pace--happening less than once per year on average (i.e. it only happened 3 times between 2010 and 2019).

Today's **initial** increase was modest in the bigger picture, adding only 0.04% to yesterday's levels and leaving the average top-tier 30yr fixed rate still just a hair below 7.50%. This is roughly in line with the highs from early 2024 and still well below the highs of 8% seen in October 2023.

Much of that initial 0.04% increase can be thought of as a hangover from yesterday's volatility. In fact, the underlying bond market had already **improved** day-over-day at the time we marked the 0.04% increase. Thankfully, additional gains in the afternoon led lenders to drop rates back below yesterday's latest levels. The final mark was 7.43% for the average lender.

[thirtyyearmortgagerates]

Whether this friendly bounce means anything about the road ahead is a different matter. If traders knew what the road ahead looked like with any certainty, they wouldn't sit on their hands and lose money between now and then. In other words, anything that you or I can conclude about the near-term future is already priced-in to current levels.

The next leg higher or lower for rates will likely be determined by a combination of economic data that hasn't come out yet and war-related headlines that could either help or hurt the fuel price outlook. Next week is a big week for econ data and every week brings new potential for oil price fluctuations these days. In addition, the month/quarter end trading environment increases the risk of volatility regardless of directional cues from data/events.

Bottom line: all we know today is that bonds suggested a modicum of hope that the rising rate momentum has abated. Now we wait to see if it will reappear next week.

# Economic Calendar



| Time | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Friday, Sep 25** | | | | |
| 5:15AM | Fed Williams Speech ☆ | | | |
| 8:30AM | Aug Durable goods (%) ☆ | 0% | -0.4% | 1.1% |
| 8:30AM | Aug Core CapEx (%) ☆ | 1.6% | 0.5% | 0.2% |
| 9:20AM | Fed Schmid Speech ☆ | | | |
| 10:00AM | Sep Consumer Sentiment (ip) ☆ | 48.1 | 47.6 | 51.7 |
| 10:00AM | Sep U Mich conditions ☆ | 50.9 | 49.5 | 51.9 |
| 10:00AM | Sep Sentiment: 1y Inflation (%) ☆ | 4.6% | 4.6% | 4% |
| 10:00AM | Sep Sentiment: 5y Inflation (%) ☆ | 3.4% | 3.4% | 3.3% |
| 2:00PM | Fed Hammack Speech ☆ | | | |
| **Monday, Sep 28** | | | | |
| 1:30PM | Fed Barkin Speech ☆ | | | |