

MARKET SUMMARY

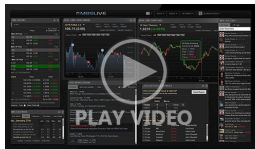
Complete Recap of Today's Market Activity

Light Volatility and Modest Gains Ahead of CPI

Market Summary: Wednesday, October 14, 2026 - 5:55AM

Bonds were modestly stronger in the overnight session in a move that is easiest to attribute to ongoing supportive buying in response to recently higher yields in the long end of the market. Fed Funds Futures were also in play as implied Fed Funds tracked fairly well with 10yr yields in terms of movement. Oil prices did little to explain the AM gains, but correlated well with an insignificant pull-back between 8:30-10:00am ET. Afternoon comments from Williams (who only sees the need for 1 more rate hike and then no hikes in 2027) helped the short end of the yield curve, but here too, all of the intraday volatility was very light in the bigger picture. Case in point, this was one of the first days in weeks without any lender reprices reported through 3pm ET.

Latest Video Analysis



Light Volatility and Modest Gains Ahead of CPI



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KEY MORTGAGE

MBS & Treasury Markets

UMBS 6.0	98.59	+0.08	10YR	5.197%	-0.021%	10/14/2026 3:49AM EST
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Stronger Start. It's Complicated

Tuesday morning joins a fairly long list of trading days where overnight bond market movement cannot be cleanly connected to news headlines or econ data. With yields having recently pushed up to multi-decade highs, and Fed policy expectations constantly shifting, this will be an ongoing phenomenon. Over the past several sessions, there's definitely been some organic buying in longer-term bonds (i.e. investors concluding 10yr yields around 5.3% represent a good entry point). The overnight rally followed a shift in Fed rate expectations. Oil prices correlated but the timing was off when it comes to the earlier rally. Over the last 2 hours, however, a spike in oil prices is indeed leading a bounce back toward higher yields.

UPDATE: Decent Little Recovery

ALERT: MBS Down an Eighth From Some Lenders' Rate Sheet Times

30YR Fixed	7.46%	-0.02%	15YR Fixed	7.14%	-0.01%	10/13/2026
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Mortgage Rates Inch to Another 2-Week Low

It was an uneventfully good day for . Unlike the average day over the past several weeks, there was minimal intraday volatility in the underlying bond market. This allowed the average lender to issue rates once this morning and avoid intraday rate changes.

Fortunately, the overnight market movement was in our favor today as traders continued finding value in recently higher bond yields.

Rates are based on the bond market where higher yields increasingly create demand among investors. In 2023, when the 10yr Treasury yield hit 5%, we saw a solid show of support from buyers. In 2026, we've been waiting to see a similar show of support as yields crested 5.3%. Last week brought the first potential evidence of such support.

This doesn't mean rates are out of the woods, however. Tomorrow brings important inflation data and inflation is a key consideration for bond investors. If inflation comes in higher than expected, yields/rates could move back up toward recent highs. But if it's lower than expected, it could reinforce the supportive undertones seen over the past several trading days and help the downward momentum in rates continue.

Time	Event	Actual	Forecast	Prior
Wednesday, Oct 14				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
7:00AM	Oct/09 MBA Refi Index	513.5		515.8
7:00AM	Oct/09 MBA Purchase Index	139.3		145.1
7:00AM	Oct/09 Mortgage Market Index	199.2		204.7
8:30AM	Sep y/y Headline CPI (%) ☆		3.6%	3.4%
8:30AM	Sep m/m Headline CPI (%) ★		0.6%	0.4%
8:30AM	Sep y/y CORE CPI (%) ★★		2.5%	2.4%
8:30AM	Sep m/m CORE CPI (%) ★★		0.2%	0.3%
2:00PM	Sep Federal budget (bl)		\$-29B	\$-167B
2:00PM	Fed Beige Book			
Thursday, Oct 15				
8:30AM	Oct Philly Fed Prices Paid			48.60
8:30AM	Sep Core PPI m/m (%) ☆		0.3%	0.2%
8:30AM	Sep Core PPI y/y (%) ☆		4.4%	4.6%
8:30AM	Oct/03 Continued Claims (k) ☆		1710K	1716K
8:30AM	Oct/10 Jobless Claims (k) ☆		200K	197K
8:30AM	Oct NY Fed Manufacturing ☆		10.3	7.60
8:30AM	Oct Philly Fed Business Index ☆		28.4	37.8
8:30AM	Sep PPI m/m (%) ☆		0.5%	0.4%
8:30AM	Sep PPI y/y ☆		5.3%	5.4%
8:30AM	Sep Retail Sales Control Group MoM ★★		0.3%	1.4%
8:30AM	Sep Retail Sales (%) ★★		0.3%	1.2%
10:00AM	Aug Business Inventories (%) ☆		0.4%	0.8%
12:00PM	NOPA Crush Report (%)			
12:00PM	Oct/09 Crude Oil Inventory (ml)			-3.186M