MARKET SUMMARY

Complete Recap of Today's Market Activity

Could Have Been Better. Could Have Been Worse

Market Summary: Monday, October 19, 2026 - 1:35AM

If the bond market was a Mario Bro, it found a gold star at some point on Wednesday. As Thursday afternoon, the gold star ran out of juice and we're back to regular old Mario. In other words, astonishing resilience/bullishness has been replaced by a sideways-to-slightly-weaker grind. It could be as simple as the desire among traders to consolidate recent gains without getting too carried away. Ongoing selling in tech stocks ostensibly allowed for another bond rally, so the fact that we lost a bit of ground could end up looking like an important clue about resistance. A mid-day spike in oil prices may have added just a bit of upward pressure in yields, but it's more likely correlation>causation as oil has been higher all week. Losses were minimal as of 3pm, leaving most of the week's rally intact.

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Could Have Been Better or Worse

MBS & Treasury Markets

UMBS 6.0	98.96	+0.01	10YR	5.063%	-0.018%	10/18/2026 11:29PM EST

More Reprice Risk Now

Selling continued after the last alert. Losses are driven by a big surge in oil prices. We're not seeing a compelling reason for that yet other than unconfirmed reports of some pipeline attack.

MBS are now down 10 ticks (.31) on the day. Lenders who priced after 10am are seeing almost that full amount of weakness. Lenders who priced before 10am are seeing at least an eighth of a point.

ALERT: Down Over an Eighth From Highs

MBS MORNING: Bonds Still Capable of Selling

Today's Mortgage Rates

30YR Fixed	7.37%	+0.04%	15YR Fixed	7.04%	+0.06%	10/16/2026

Mortgage Rates Slightly Higher Today, But Sharply Lower This Week

After dropping sharply over the past 5 days, finally reminded us that they're still capable of moving higher. Thankfully, today's bump was modest in the recent context, only adding 0.04% to a 30yr fixed that had fallen 0.27% since October 7th.

Even though today's losses were minimal, they're potentially informative. Much of this week's improvement can be traced to concerns surrounding tech companies, and possible warning signs about a reduction in AI-related spending/investment throughout the sector.

While it's too early to draw any conclusions about such things, we can certainly observe a strong correlation between tech stocks and as of October 8th. What's notable about today is that rates refused to follow tech stocks any lower, even though the NASDAQ had an even worse day than it did on Wednesday.

The counterpoint--if there is one--is that oil prices launched higher, which may have prevented bonds/rates from getting too excited. Still, oil has been moving higher during the same time frame that rates have been improving, so one could easily ask "why does oil suddenly matter now?" There's not really a great answer to that question, so we're left to conclude that bonds/rates are feeling a bit of resistance after this week's bull run.

Economic Calendar

Last Week | This Week | Next Week

Time	Event	Actual	Forecast	Prior
Monday, Oct 19				
12:00AM	Roll Date - Ginnie Mae 30YR			
10:00AM	Oct NAHB housing market indx		31	32
Tuesday, Oct 20				
8:15AM	ADP Employment Change Weekly			24.75K
8:30AM	Sep Building Permits (ml)		1.40M	1.403M
8:30AM	Sep Housing starts number mm (ml)		1.30M	1.275M
10:00AM	Sep Pending Home Sales (%) ☆		0%	0.3%
11:30AM	6-Week Bill Auction (%)			3.980%