Stephen Heston
Broker, Aspire Mortgage Solutions LLC
2481498, 1980964, 2414951
102 W Main St. #3 Pullman, WA 99163

Office: 5092024424
info@aspiremortgagesolutions.com
View My Website

# Oil and Rates Giving Their Relationship Another Shot

For 3 months, they were almost inseparable. Then in June, they went their separate ways. Now oil and rates are back together in July, for the most part.

Specifically, movement in oil prices was highly correlated with movement in rates (represented below by 10yr Treasury yields) after the onset of the Iran war. The reasoning was simple: higher fuel prices implied higher inflation, and higher inflation tends to result in higher rates.

The oil/rates correlation is never perfect, but it generally remained strong until ceasefire confirmation in early June. At that point, oil went south while bonds decided to stick around for a while for their own reasons (and also because gas/diesel prices haven't fallen nearly as fast as oil prices).

## National Average Mortgage Rates




| | Rate | Change | Points |
|---|---|---|---|
| **Mortgage News Daily** | | | |
| 30YR Fixed | 7.48% | -0.03 | 0.00 |
| 15YR Fixed | 7.02% | -0.02 | 0.00 |
| 30YR FHA | 7.05% | -0.03 | 0.00 |
| 30YR Jumbo | 7.52% | 0.00 | 0.00 |
| 7/6 SOFR | 7.10% | -0.02 | 0.00 |
| 30YR VA | 7.07% | -0.03 | 0.00 |

Rates as of: 11/17

## MBS and Treasury

| | Price / Yield | Change |
|---|---|---|
| MBS UMBS 6.0 | 98.89 | 0.00 |
| 10 YR Treasury | 5.1022 | -0.0142 |
| 30 YR Treasury | 5.4505 | -0.0086 |

Pricing as of: 11/17 8:38PM EST

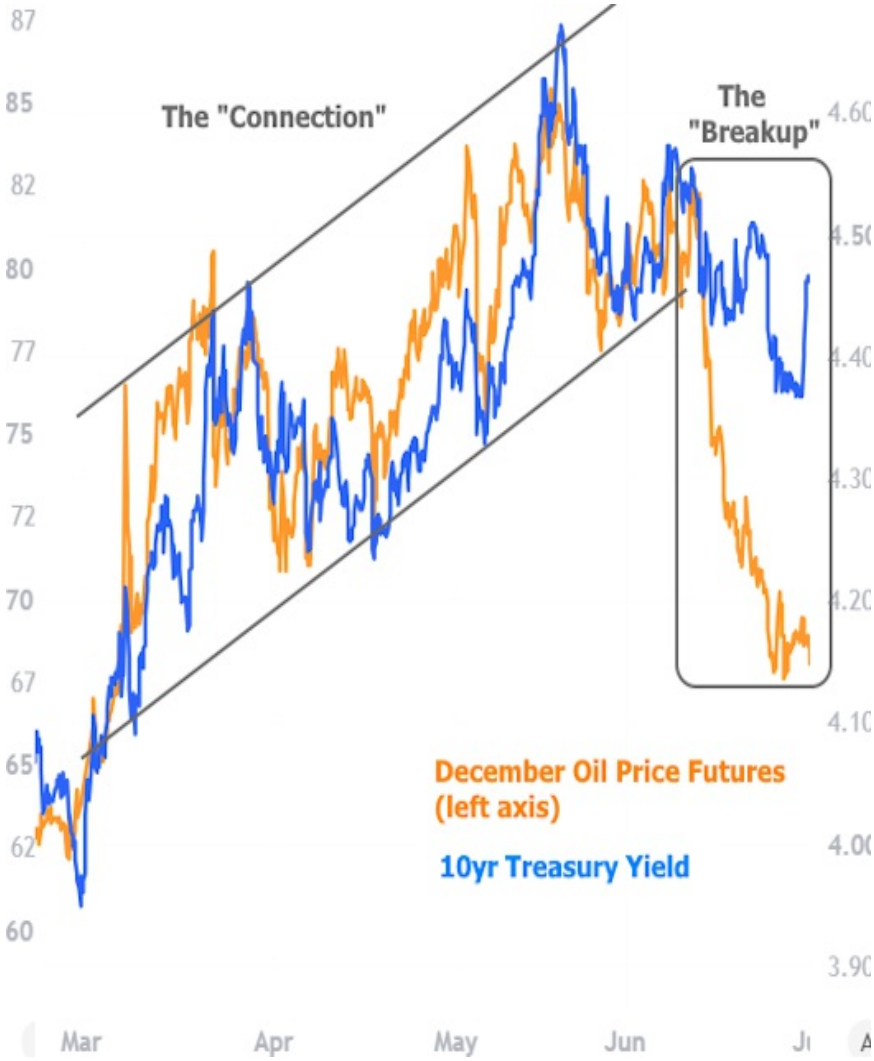
## Recent Housing Data

| | | Value | Change |
|---|---|---|---|
| Mortgage Apps | Nov 4 | 204.6 | +6.23% |
| Building Permits | Sep | 1.4M | +0.43% |
| Housing Starts | Sep | 1.22M | -4.24% |
| New Home Sales | Sep | 676K | -1.17% |
| Pending Home Sales | Aug | 71.2 | 0% |
| Existing Home Sales | Oct | 3.99M | +0.25% |
| Builder Confidence | Oct | 29 | -9.38% |

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

**Read or subscribe** to my newsletter online at: http://housingnewsletters.com/aspire-mortgage-solutions

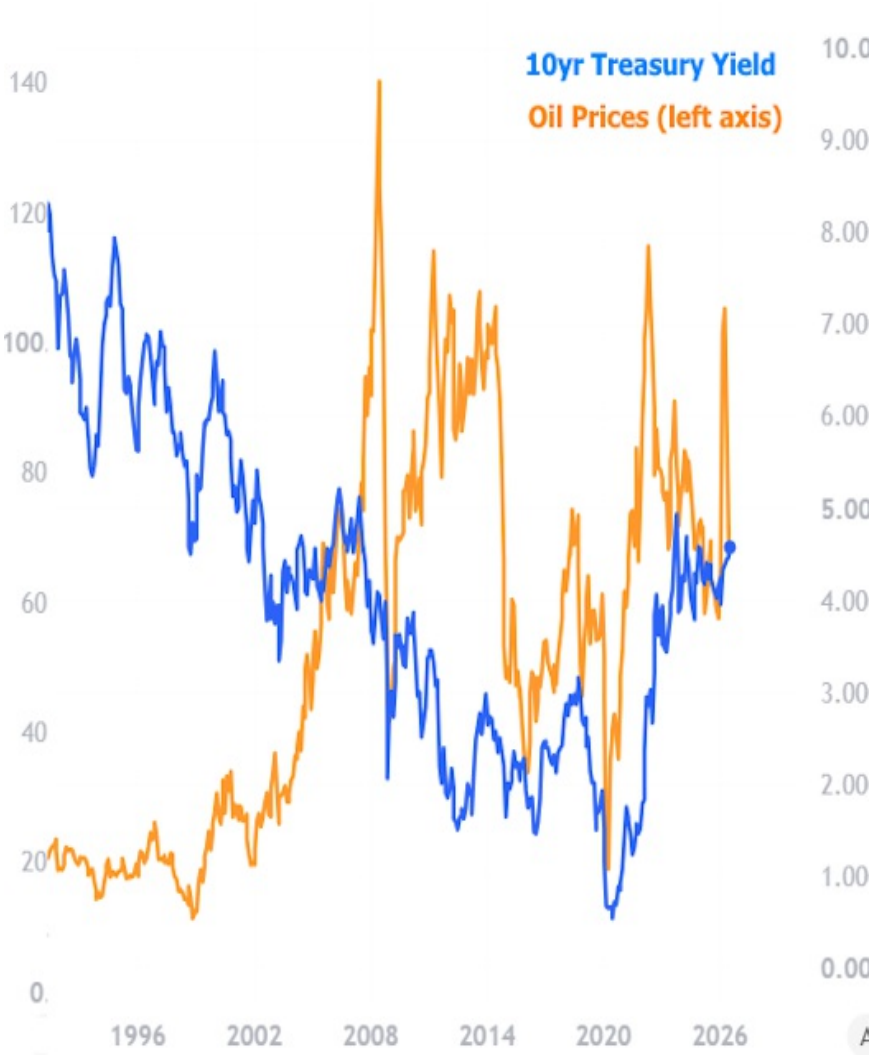



Before continuing, let's be clear on the oil/rate relationship in the bigger picture. Because fuel is so central to inflation and because inflation is so central to rates, it's tempting to conclude that oil and rates should **always** be correlating to some extent. In practice, bonds have a lot of other things on their mind besides inflation. This results in noticeable departures from the correlated trend over the years.

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

**Read or subscribe** to my newsletter online at: http://housingnewsletters.com/aspire-mortgage-solutions



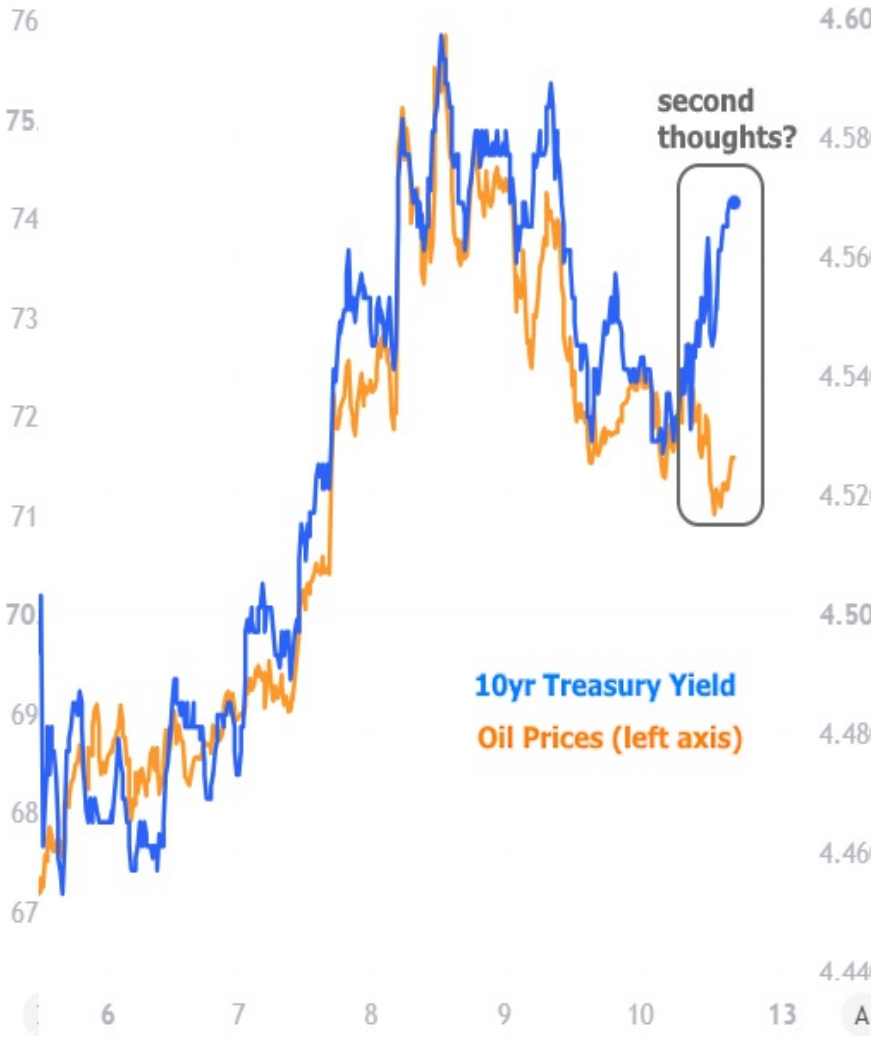

Nonetheless, recent correlation is understandable given the violence of the move in oil/fuel prices combined with an absence of other strong motivations for the bond market. This point was driven home last week when the jobs report caused a big bond-specific reaction that didn't involve oil.

The present week was a different story. Bonds/rates had very little by way of new motivation or data. Meanwhile, the end of the U.S./Iran ceasefire was big news for oil. Prices spiked and the apathetic bond market was quickly willing to be taken along for the ride.

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

**Read or subscribe** to my newsletter online at: http://housingnewsletters.com/aspire-mortgage-solutions

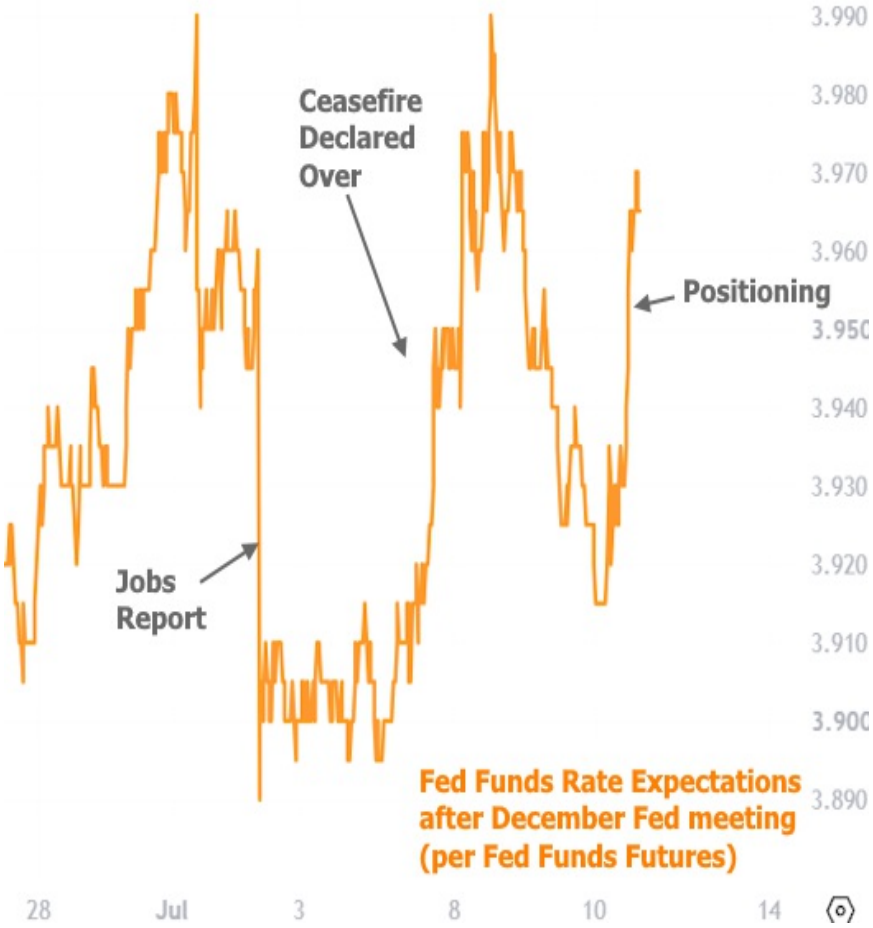



As the chart above shows, July has seen a high degree of correlation return. The only hitch was on Friday afternoon when bond yields continued to drift higher as oil prices remained lower day-over-day. There are a number of way to justify this, but the simplest would be that traders were positioning for next week's testimony from Fed Chair Warsh as well as two key inflation reports. Adding credence to this theory is the fact that Fed Funds Futures experienced an even sharper move than longer-term Treasuries.

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

**Read or subscribe** to my newsletter online at: http://housingnewsletters.com/aspire-mortgage-solutions

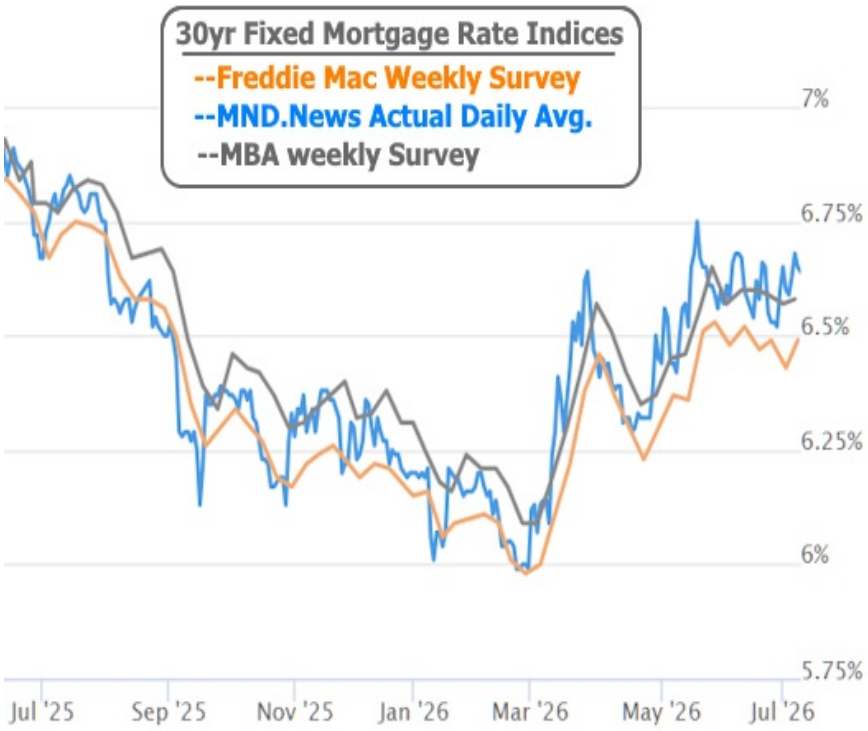



If all of the above sounds a bit dramatic, mortgage rates agree. The Treasury charts place rate volatility under a microscope. In the bigger picture, mortgage rates are merely drifting sideways in a fairly narrow range--albeit a range near the 10-month highs.

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

**Read or subscribe** to my newsletter online at: http://housingnewsletters.com/aspire-mortgage-solutions




Subscribe to my newsletter online at: http://housingnewsletters.com/aspire-mortgage-solutions

## Recent Economic Data

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Monday, Jul 06** | | | | |
| 10:00AM | Jun ISM N-Mfg PMI | 54.0 | 54 | 54.5 |
| **Tuesday, Jul 07** | | | | |
| 8:30AM | May Trade Gap (bl) | $-77.6B | $-78.5B | $-55.9B |
| 11:00AM | Jun Consumer Inflation Expectations | 3.7% | | 3.5% |
| **Wednesday, Jul 08** | | | | |
| 7:00AM | Jul/03 MBA Refi Index | 794.4 | | 828.7 |
| 7:00AM | Jul/03 MBA Purchase Index | 169.5 | | 170.6 |
| 2:00PM | FOMC Minutes | | | |
| **Thursday, Jul 09** | | | | |
| 8:30AM | Jul/04 Jobless Claims (k) | 215K | 218K | 215K |
| 10:00AM | Jun Existing home sales (ml) | 4.09M | 4.20M | 4.17M |
| **Tuesday, Jul 14** | | | | |
| 8:30AM | Jun y/y Headline CPI (%) | 3.5% | 3.8% | 4.2% |
| 10:00AM | Fed Chair Warsh Testimony | | | |
| **Wednesday, Jul 15** | | | | |
| 8:30AM | Jun PPI y/y | 5.5% | 6.2% | 6.5% |
| 10:00AM | Fed Chair Warsh Testimony | | | |

## Event Importance:

No Stars = Insignificant
☆ Low
★ Moderate
★★ Important
★★ Very Important

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

**Read or subscribe** to my newsletter online at: http://housingnewsletters.com/aspire-mortgage-solutions

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Thursday, Jul 16** | | | | |
| 8:30AM | Jul/11 Jobless Claims (k) | 208K | 217K | 215K |
| 8:30AM | Jul Philly Fed Business Index | 41.4 | 13 | 10.3 |
| 8:30AM | Jun Retail Sales (%) | 0.2% | 0.2% | 0.9% |
| 10:00AM | Jul NAHB housing market indx | 34 | 35 | 35 |
| 10:00AM | Jun Pending Home Sales (%) | -5.4% | -0.5% | 3.8% |
| 10:00AM | May Business Inventories (%) | 0.3% | 0.3% | 0.5% |
| **Friday, Jul 17** | | | | |
| 8:30AM | Jun Import prices mm (%) | 0.3% | -0.7% | 1.9% |
| 9:15AM | Jun Industrial Production (%) | 0.1% | 0.2% | 0.1% |
| 10:00AM | Jul Consumer Sentiment (ip) | 54.4 | 51 | 49.5 |


## The Solution to Aspire

From the Founders:

Aspire Mortgage Solutions was founded in 2023 with the main focus of Aspiring people. The vast majority of the business world is driven by making as much money as possible. However, we at Aspire Mortgage Solutions believe that there is much more to life than profit. This passion is why we are committed to being the best possible solution, and we will accomplish this by putting your dreams and goals first. We want to come alongside you and use our expertise in products and mortgage solutions to make sure that you are equipped with the best tools to help you achieve your financial goals. No matter what story you are writing, whether it's your first house, dream house, or building wealth, we want to be the experts that help you aspire to reach your dreams.

- Steve & Zach

**Stephen Heston**


© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

**Read or subscribe** to my newsletter online at: http://housingnewsletters.com/aspire-mortgage-solutions