

Ben Nelson
Branch Manager, Synergy One Lending
NMLS#1392905
125 Lynx Ave Aumsville, OR 97325

Office: 5039109872
Mobile: 5039109872
bnelson@s1l.com
View My Website

Rates Caught a Big Break From This Week's Inflation Reports

It was an eventful week for mortgage rates and the bond market, but ultimately a decent one. Monday's rates matched the highest levels in nearly a year, but by Friday, we were actually just a hair lower versus last Friday. Here's how we got there.

Following news of more U.S. air strikes in Iran, fuel prices jumped higher on Monday. As has been the case for much of July, higher oil/gas/diesel puts upward pressure on rates via inflation implications (because rates are driven by bonds and bonds hate inflation).

Coincidentally, Tuesday and Wednesday were set to offer two major updates on inflation via the government's Consumer and Producer Price Indices (CPI and PPI). Fed Governor Christopher Waller added to the tension by saying the Fed would need to consider raising rates "in the near term" if those reports came in hot.

Waller's comments represented the first major dose of forward guidance from a Fed official since Warsh took the helm. Warsh has repeatedly expressed his intent to minimize forward guidance from the Fed. As such, the candor and content of Waller's comments had a bigger impact than they otherwise might have if multiple Fed speakers had been making similar comments over the past few weeks. Simply put, it led the market to price in the highest odds of a Fed rate hike since the week of the last Fed announcement in mid June.

Thankfully, the inflation reports pushed back in the other direction, and forcefully! Data's impact on bonds is almost always driven by the gap between the median professional forecast and the actual results. The key metric in Tuesday's Consumer Price Index (CPI) fell farther below that forecast than any other CPI release in more than a year. Other components of the data were similarly below forecasts.

The following day, the Producer Price Index (PPI) put on a similar show with a much bigger drop than expected. Additionally, there was also a substantial downward revision to the previous report. All told, annual PPI ended up an entire 1.0% lower than initially reported last month.

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.26%	-0.06	0.00
15YR Fixed	6.82%	-0.05	0.00
30YR FHA	6.95%	0.00	0.00
30YR Jumbo	7.40%	-0.02	0.00
7/6 SOFR	6.60%	-0.10	0.00
30YR VA	6.96%	-0.01	0.00

Rates as of: 11/25

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.88	+0.29
10 YR Treasury	4.8590	-0.0677
30 YR Treasury	5.2479	-0.0735

Pricing as of: 11/25 5:59PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Nov 11	199.8	-2.35%
Building Permits	Oct	1.3M	-7.5%
Housing Starts	Oct	1.31M	+7.21%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Oct	63	-4.69%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Nov	25	-13.79%

© 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/ben-nelson

After both of the inflation reports, the market reaction was immediately apparent--especially in terms of Fed rate hike expectations. Traders use Fed Fund Futures to bet directly on the level of the Fed Funds rate at various points in the future. Before Tuesday's data, traders saw the Fed Funds Rate just above 4% (effectively suggesting a 100% chance of a rate hike) by December. After Wednesday's PPI, that had fallen to 3.86% (effectively pricing out most of the risk of a 2026 rate hike).

As we often discuss, when the Fed actually hikes or cuts, it means almost nothing for longer-term rates like mortgages (it's old news by the time it happens). But changes in Fed hike/cut expectations have a big impact. This week was no exception. Longer term bonds like 10yr Treasuries and the bonds that underlie mortgage rates improved sharply--even if not quite as sharply as Fed Funds Futures. This resulted in the average top-tier 30yr fixed rate moving down roughly an eighth of a point between Monday and Friday.

The economic calendar is very light next week and the Fed will be in its blackout period ahead of the late-July announcement. That removes many of the usual scheduled sources of volatility, but war-related headlines remain capable of causing fuel price shocks that spill over into rates. Big moves in stocks could also cause spillover in the bond market in either direction (i.e. a big stock sell-off could help rates whereas a big stock bounce could pull rates a bit higher).

Subscribe to my newsletter online at: http://housingnewsletters.com/ben-nelson

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Tuesday, Jul 14				
8:30AM	Jun m/m CORE CPI (%)	0%	0.2%	0.2%
8:30AM	Jun y/y CORE CPI (%)	2.6%	2.8%	2.9%
Wednesday, Jul 15				
8:30AM	Jun Core PPI m/m (%)	0.2%	0.4%	0.4%
8:30AM	Jun Core PPI y/y (%)	4.7%	5.2%	4.9%
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%
Friday, Jul 17				
8:30AM	Jun Housing starts number mm (ml)	1.427M	1.31M	1.177M
8:30AM	Jun Import prices mm (%)	0.3%	-0.7%	1.9%
10:00AM	Jul Consumer Sentiment (ip)	54.4	51	49.5

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/ben-nelson

Speed, Ease & Expertise

In my 8th year of mortgage lending I am still looking for ways to improve my business for clients and referral partners. Even though our industry is ever-changing, my goals have stayed consistent. For clients, I want to make the process of purchasing their home an enjoyable one for them. I do this by being highly available by phone, email or in person from morning to night and having the fastest response time in the industry. I want my clients to be well educated on their loan options so they feel confident about their mortgage before and after purchasing their home. I want referral partners to know they can trust in me to handle everything on the loan side of things so they can focus their time on what they do best, Real Estate. I have excellent systems in place for communication to keep everyone involved in the purchase updated. I feel grateful to be in this industry, and take a great amount of pride in people counting on me for their biggest purchase of their lives!

Ben Nelson 

© 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/ben-nelson