

Brandon Ross
Loan Officer, X2 Mortgage, LLC
NMLS #AZ-858655 | License X2 Mortgage, LLC NMLS
145 E Chilton Dr Chandler, Arizona 85225

Office: 515-577-2249
Mobile: 515-577-2249
bross@x2mortgage.com
View My Website

Market Reacts to Tariffs and New Fed Chair

There were two key considerations for financial markets this week: Fed Chair Jerome Powell's first congressional **testimony**, and the announcement of new **trade tariffs** by the White House. Both caused volatility for interest rates in the short term and raised questions for the future.

In last week's newsletter, we examined recent stability in rates and laid out a line in the sand that they'd need to cross in order to "defeat" 2018's relentless uptrend. The **good news** is that they crossed that line! The bad news is that it came at a price.

Earlier in the week, it was **far from a given** that rates would defeat 2018's negative trend. Fed Chair Powell began his first round of congressional testimony on Tuesday morning at 10am. About 40 minutes later, he made a comment about his personal assessment of the economy being stronger than it had been in December.

Markets latched onto Powell's words and quickly began pricing-in higher odds of an additional Fed rate hike in 2018. Although the Fed Funds Rate only applies to overnight time frames, Fed rate hike **expectations** can have a direct impact on longer-term rates like 10yr Treasury yields and mortgages.

Fortunately, Fed rate hike expectations aren't the only consideration for longer-term rates. As can be seen in the following chart, 10yr Treasury yields (a benchmark for long-term rates) managed to move **lower** even as rate hike expectations held steady in the middle of the week. Rates continued even lower when the White House made its tariff announcement.

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.27%	0.00	0.00
15YR Fixed	6.92%	0.00	0.00
30YR FHA	6.91%	+0.01	0.00
30YR Jumbo	7.52%	-0.03	0.00
7/6 SOFR	6.70%	-0.08	0.00
30YR VA	6.92%	+0.01	0.00

Rates as of: 11/2

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.77	-0.10
10 YR Treasury	4.9528	+0.0480
30 YR Treasury	5.3211	+0.0316

Pricing as of: 11/3 11:52AM EST

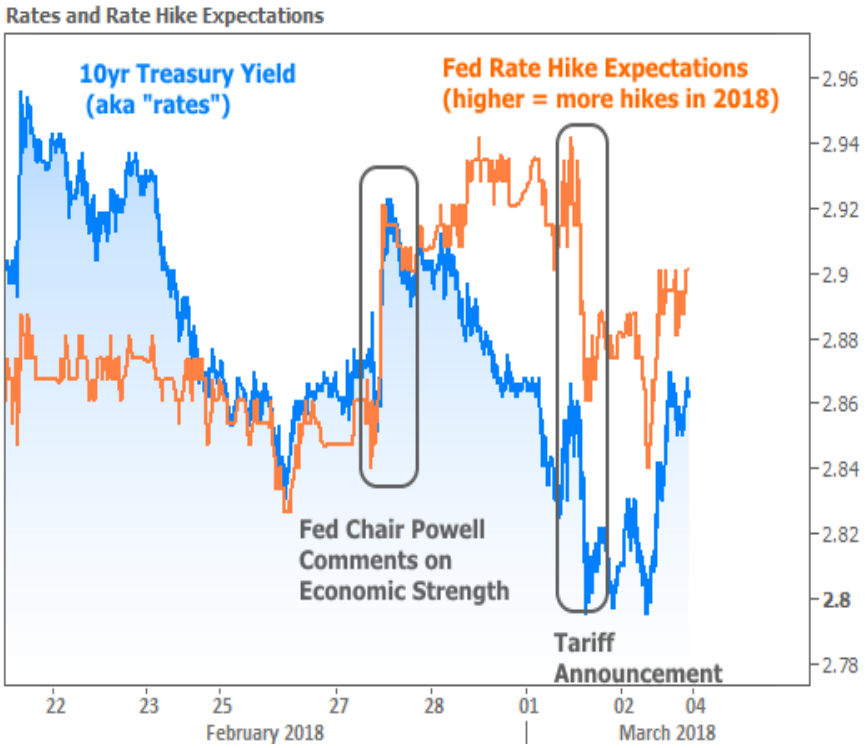
Recent Housing Data

		Value	Change
Mortgage Apps	Oct 21	195	+3.39%
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/bhome



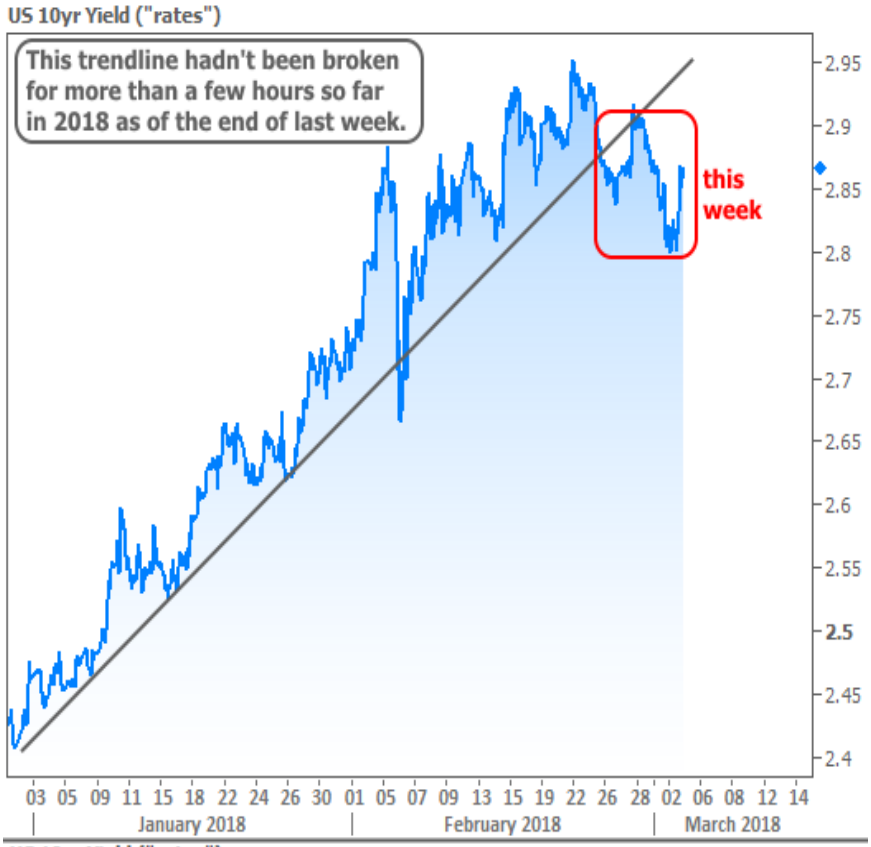
The chart tells us that rates weren't too terribly surprised by Powell. True, rate hike expectations moved slightly higher, but the scaling of the chart overstates the size of the move. In objective terms, investors only saw the Fed Funds Rate **moving 0.04% higher** in 2018. A full rate hike is 0.25%.

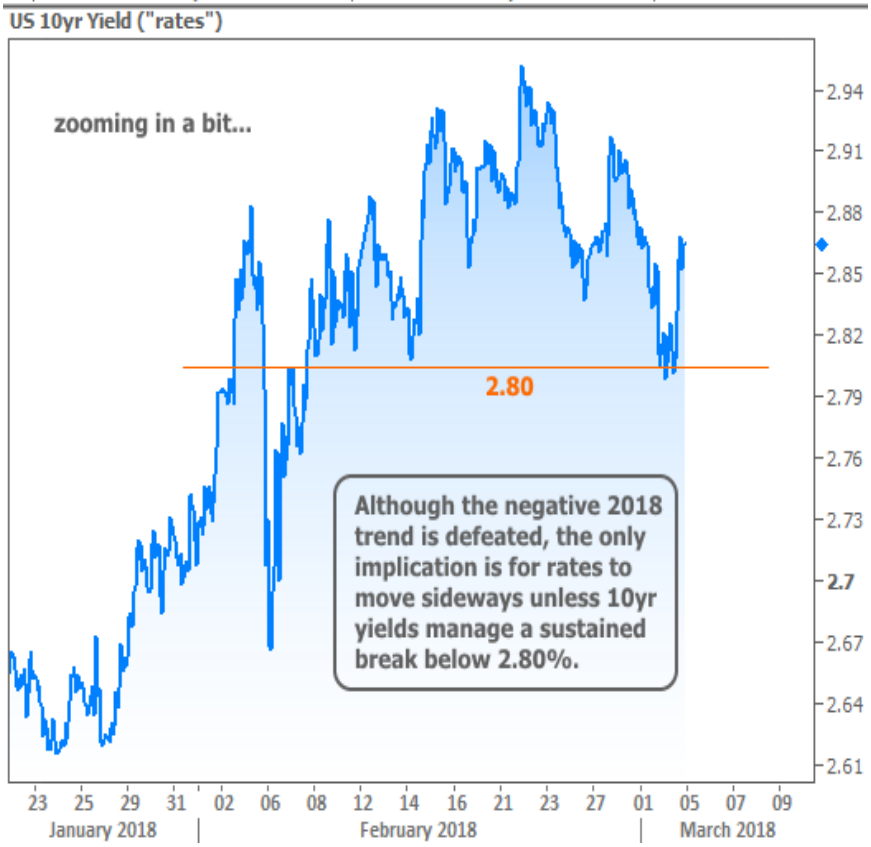
The chart also tells us that **there's a limit** to how quickly longer-term rates are willing to fall in this environment. The tariff news caused an unexpected drop and rates weren't ready for that much of a good thing. 10yr yields bounced firmly on 3 separate occasions near 2.80% before moving right back up to previous levels. Bigger-picture headwinds for rates aren't going anywhere anytime soon, so any progress is more likely to look like cautious, sideways movement.

© 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/bhome



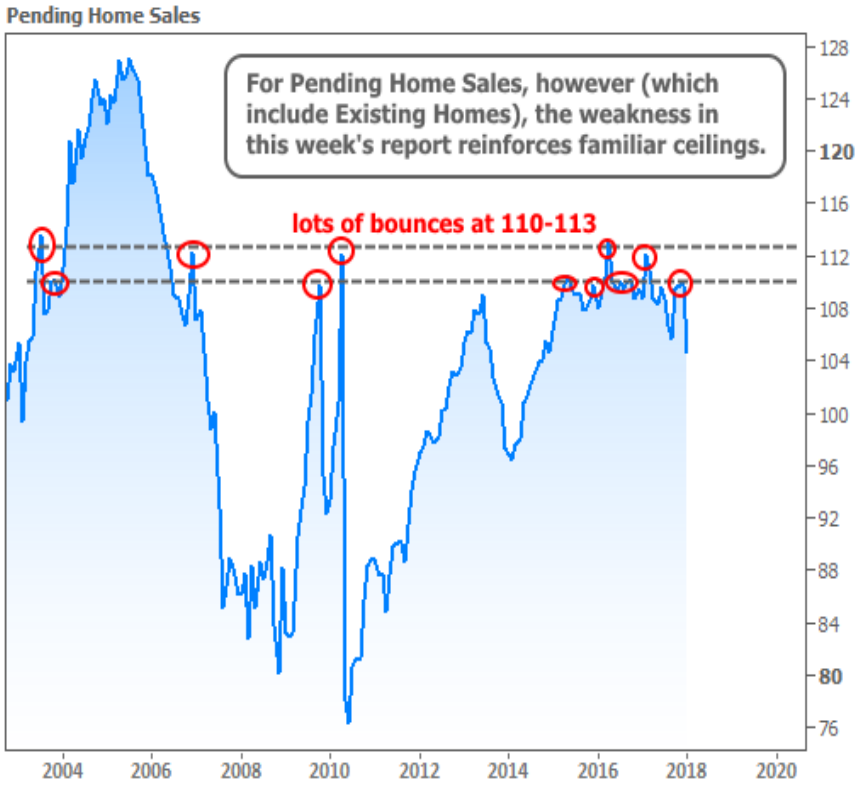


© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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/bhome

Although rates have been digging their heels in over the past few weeks, the broader move higher began to show up in **home sales** figures. Sales tend to **increase** briefly as rates first begin spiking (buyers motivated to get off a fence by the prospect of higher payments). From there, rates tend to create headwinds as long as they continue higher. In the current crop of data, this is most readily seen in the Pending Home Sales Index.



Meanwhile, **new home sales** are still safely inside their broader trend of improvement.

© 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/bhome



Of course rates are far from the only input for home sales. As we discussed last week, **inventory** is an ongoing problem, as is affordability. The tariff news creates more uncertainty on that front. Tariffs could increase building costs and hinder the construction of affordable homes, according to Lawrence Yun, chief economist of the National Association of Realtors.

At the same time, the news caused a drop in the stock market as investors generally view it as **negative for the broader economy**. To whatever extent that negativity plays out, it could impact homebuyer attitudes by decreasing the "wealth effect" for any prospective homebuyers who own stocks.

Subscribe to my newsletter online at: http://housingnewsletters.com/bhome

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, Feb 26				
10:00AM	Jan New home sales chg mm (%)	-7.8	3.8	-9.3
Tuesday, Feb 27				
8:30AM	Jan Nondefense ex-air (%)	-0.2	0.5	-0.6
8:30AM	Jan Durable goods (%)		-2.5	2.8
9:00AM	Nov CaseShiller 20 yy (%)		6.4	6.4
10:00AM	Feb Consumer confidence	130.8	126.6	125.4
Wednesday, Feb 28				
7:00AM	w/e Mortgage Market Index	382.9		372.9
8:30AM	Q4 GDP Prelim (%)	2.5	2.5	2.6
9:45AM	Feb Chicago PMI	61.9	64.2	65.7

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/bhome

Date	Event	Actual	Forecast	Prior
10:00AM	Jan Pending Home Sales (%)	-4.7	0.3	0.5
Thursday, Mar 01				
8:30AM	Jan PCE (y/y) (%)	1.700		1.700
8:30AM	Jan Consumer Spending (Consumption) (%)	0.200	0.200	0.400
8:30AM	Jan Personal Income (%)	0.400	0.300	0.400
8:30AM	Jan Core PCE (y/y) (%)	1.500	1.500	1.500
10:00AM	Feb ISM Manufacturing PMI	60.8	58.7	59.1
10:00AM	Jan Construction spending (%)	0.0	0.3	0.7
Friday, Mar 02				
10:00AM	Feb U Mich Sentiment Final (ip)	99.7	99.5	99.9
Monday, Mar 05				
10:00AM	Feb ISM N-Mfg PMI	59.5	59.0	59.9
Tuesday, Mar 06				
10:00AM	Jan Factory orders mm (%)	-1.4	-1.3	1.7
Wednesday, Mar 07				
7:00AM	w/e Mortgage Market Index	384.1		382.9
8:15AM	Feb ADP National Employment (k)	235.0	195	234
8:30AM	Jan International trade mm $ (bl)			-53.1
8:30AM	Q4 Labor Costs Revised (%)	2.5	2.1	2.0
8:30AM	Q4 Productivity Revised (%)	0.0	-0.1	-0.1
Thursday, Mar 08				
8:30AM	w/e Jobless Claims (k)		220	222
Friday, Mar 09				
8:30AM	Feb Non-farm payrolls (k)	+313	200	200
8:30AM	Feb Unemployment rate mm (%)	4.1	4.0	4.1
10:00AM	Jan Wholesale inventories mm (%)	0.8	0.7	0.7

Personalized service, educational approach

My name is Brandon Ross, and I'm a Loan Officer with X2 Mortgage, LLC in Arizona. I'm here to help you achieve your real estate goals. As a mortgage broker, I can access numerous programs from the nation's top residential lenders. My promise is to remain valuable by delivering competitive rates at low costs, being available for you on your schedule, and most importantly, spending the time you need to make an informed and sound financial decision.

Brandon Ross 

© 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/bhome