

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

Is The Fed Going to Kill The Economy?

January has been a month marked by the market's adjustment to a shift in the Fed policy outlook. This began right at the outset and resulted in higher rates and lower stock prices.

Why?

Last week's newsletter goes into great detail on the matter. Revisit it HERE.

This week merely served to **confirm what we already knew**, namely that the Fed would not be making any policy changes this week, but that it would do nothing to push back on the expectation for policy changes at the next meeting.

Language was added to the announcement to suggest a rate hike at the next meeting, and there was **no change** to the pace of tapering (which will be concluded before the March Fed meeting). Last but not least, Powell said the Fed remains on track to begin trimming the balance sheet as early as the June Fed meeting--perfectly in line with our previous assumptions.

Stocks and bonds get a bit **cranky** when the Fed yanks the proverbial punch bowl away--even if they knew it was coming. Fortunately, they'd prepared quite well for this week in terms of trading levels. Sure, there was a bit of a volatile reaction at first, but the next 2 days of trading confirm that the Fed didn't truly surprise the market (i.e. volatile trading with rates and stocks ultimately making it back near pre-Fed levels).

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

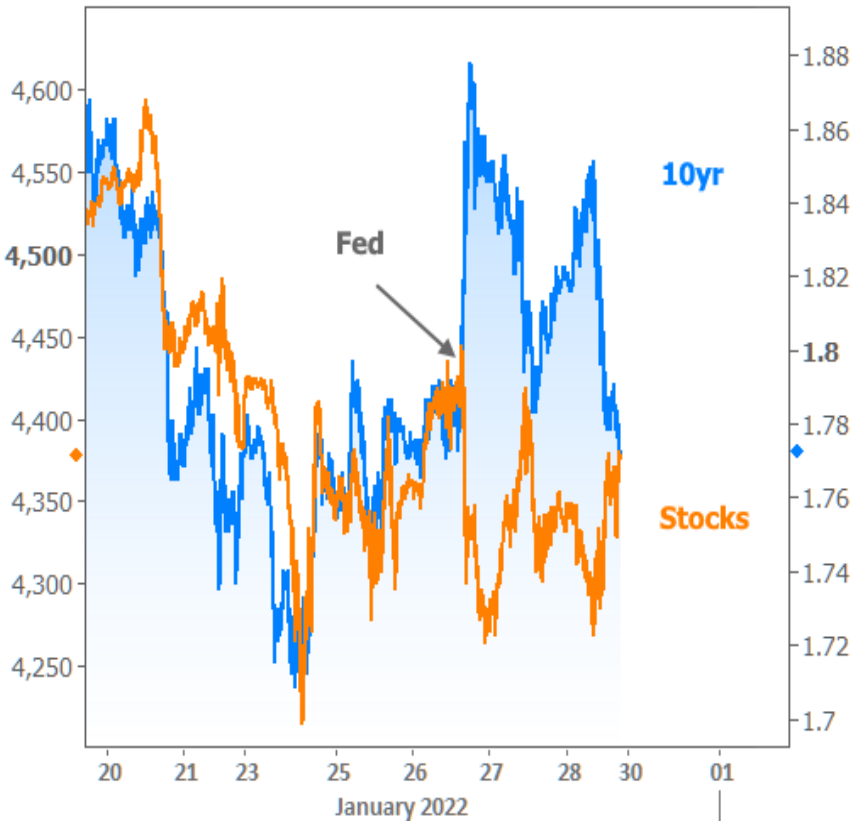
Recent Housing Data

		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%

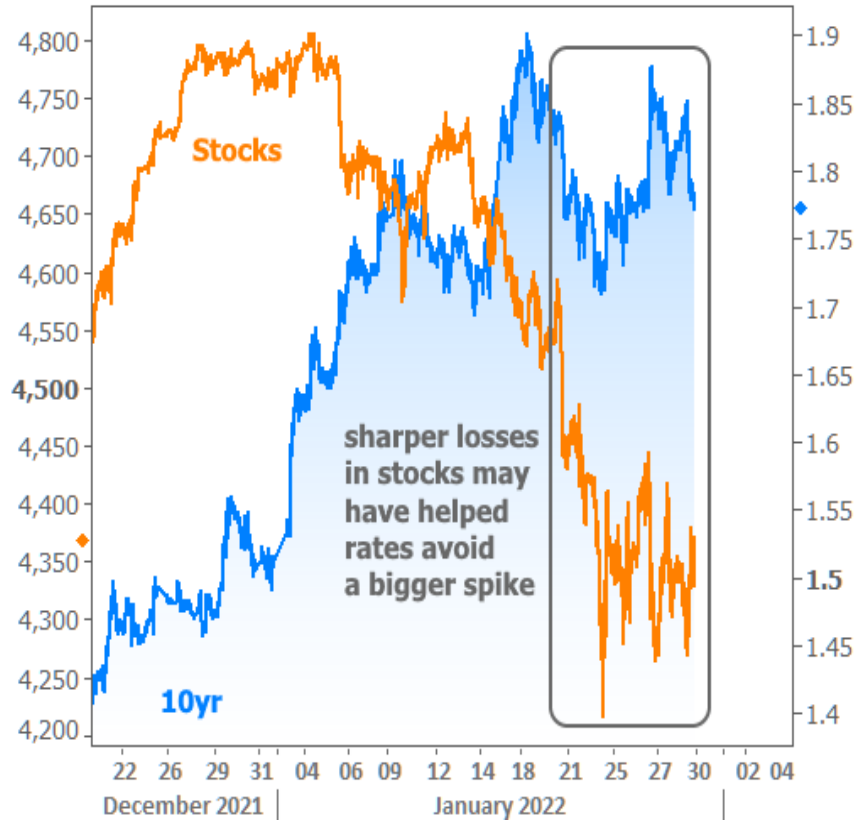
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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



In the slightly bigger picture, we can see the damage that's already been done (and the possibility that big stock losses have helped rates avoid bigger spikes).

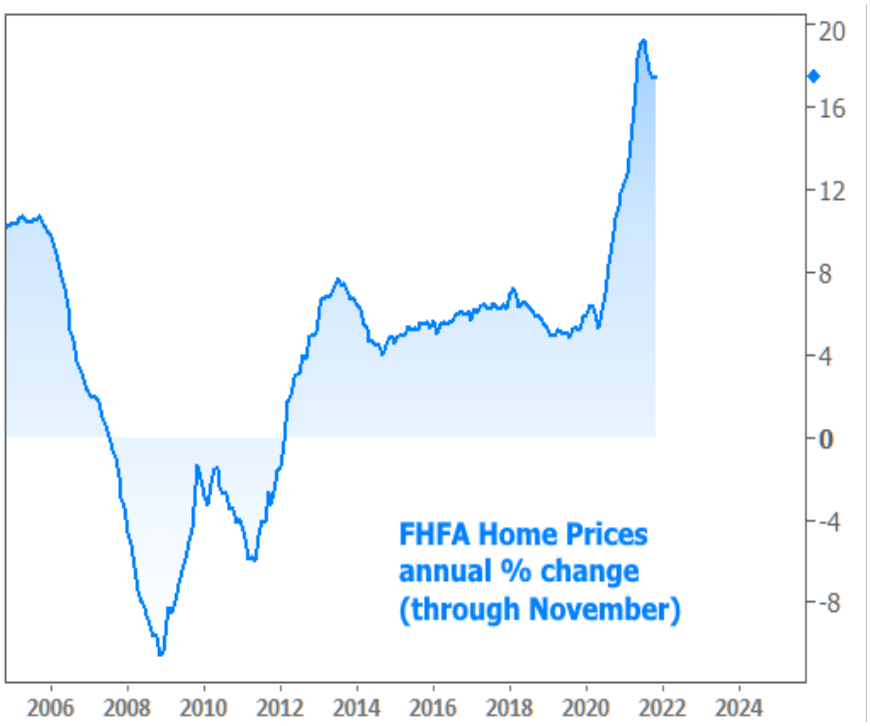


© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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

Despite the ultimately flat reaction to this week's Fed news, some market participants are worried the impending Fed rate hikes will do something to tank the economy. This includes potential damage to home prices, stocks, and home sales. With those concerns in mind, and with the caveat that this data was only updated through **November** this week, here's how **home prices** are doing:

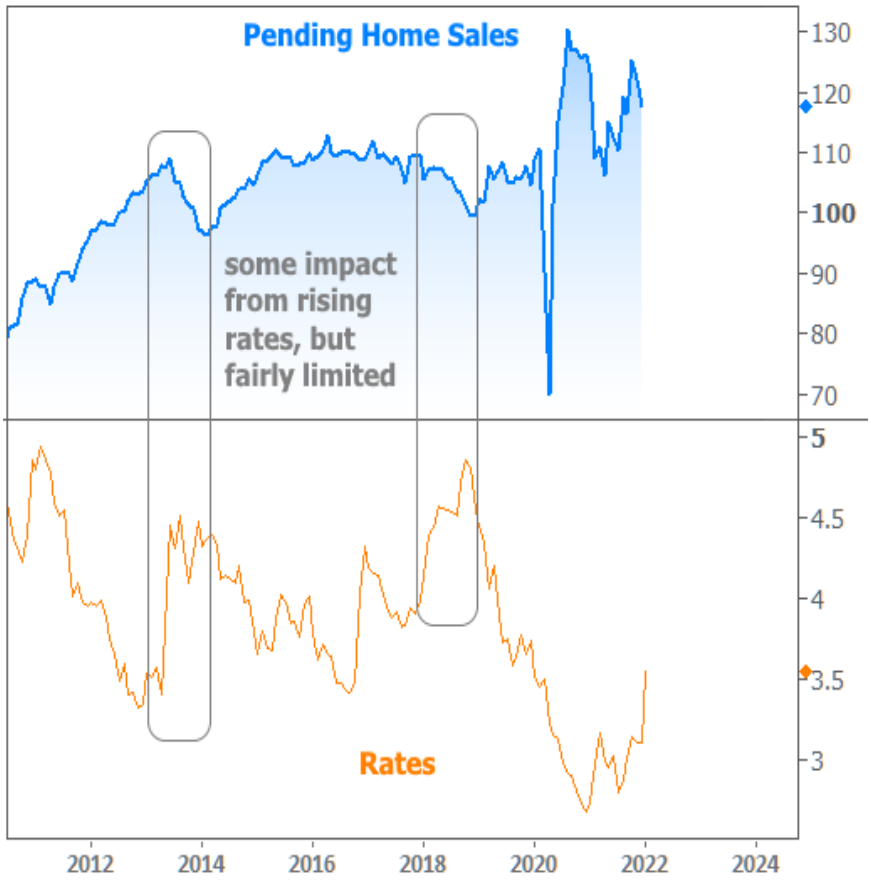


Here's how Pending Home Sales are doing (with a bonus overlay of mortgage rates):

© 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

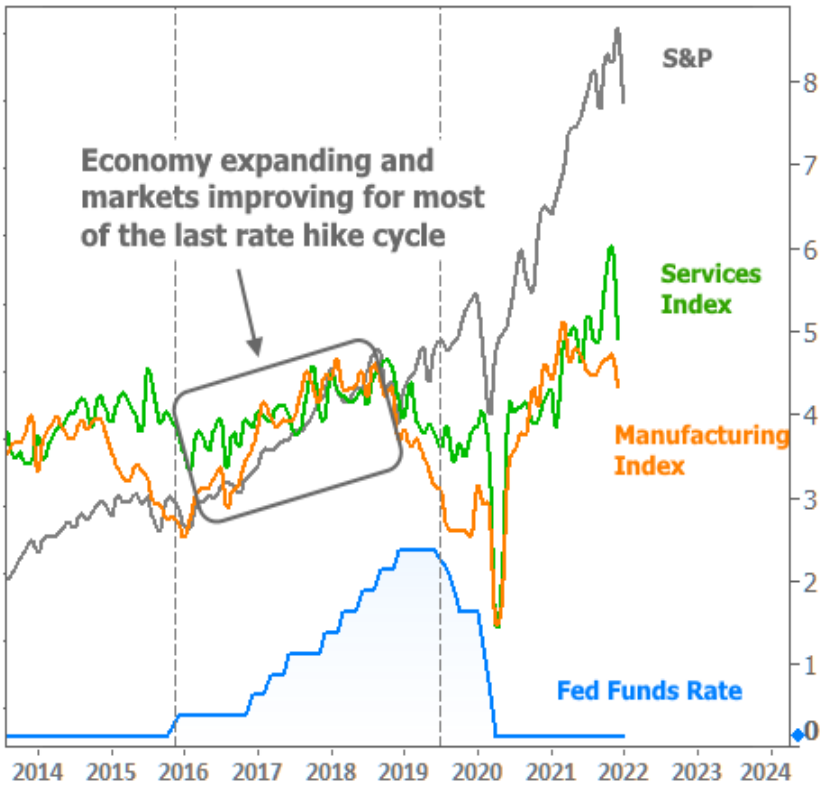


And here's how stocks are doing (gray line). This chart also includes the most recent Fed rate hike cycle along with broad economic metrics for the **manufacturing** and **services** sectors. It shows that the economy and the market continued to expand for years as the Fed continued hiking rates.

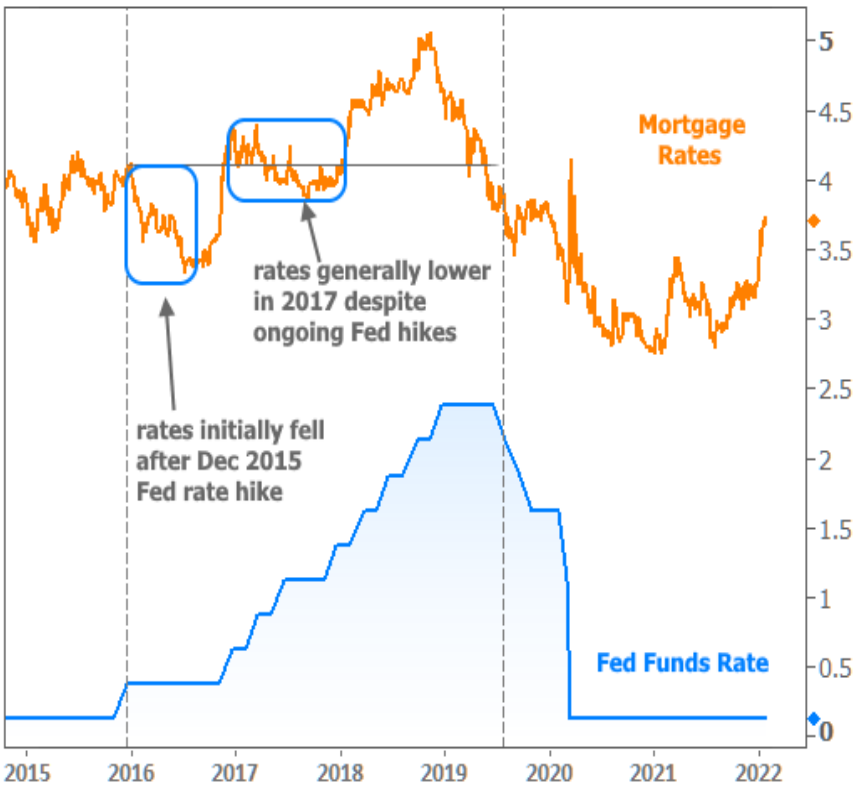
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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



How about rates? If the Fed is hiking the Fed Funds Rate, what does that do to mortgages? The Fed only meets 8 times a year. Meanwhile, rates move every day. As such, rates do a great job of getting in position for Fed rate hikes before they happen. That's one of the reasons mortgage rates were able to fall for roughly a year after the previous Fed lift-off.

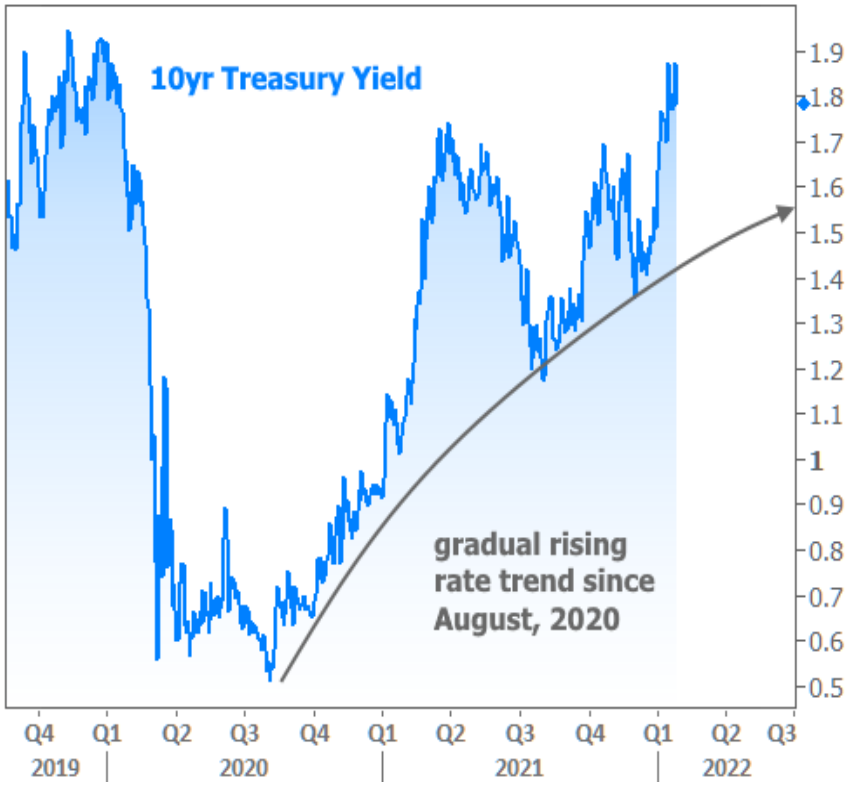


© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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

How have rates been doing in terms of getting ahead of Fed policy changes this time around? In a nutshell, it was even more of a given this time compared to 2015. We knew covid was taking an artificial bite out of the economy and that rates would **move back up** as the pandemic progressed. Unexpected speedbumps have slowed down the initial rising rate trend, but it began all the way back in August of 2020.

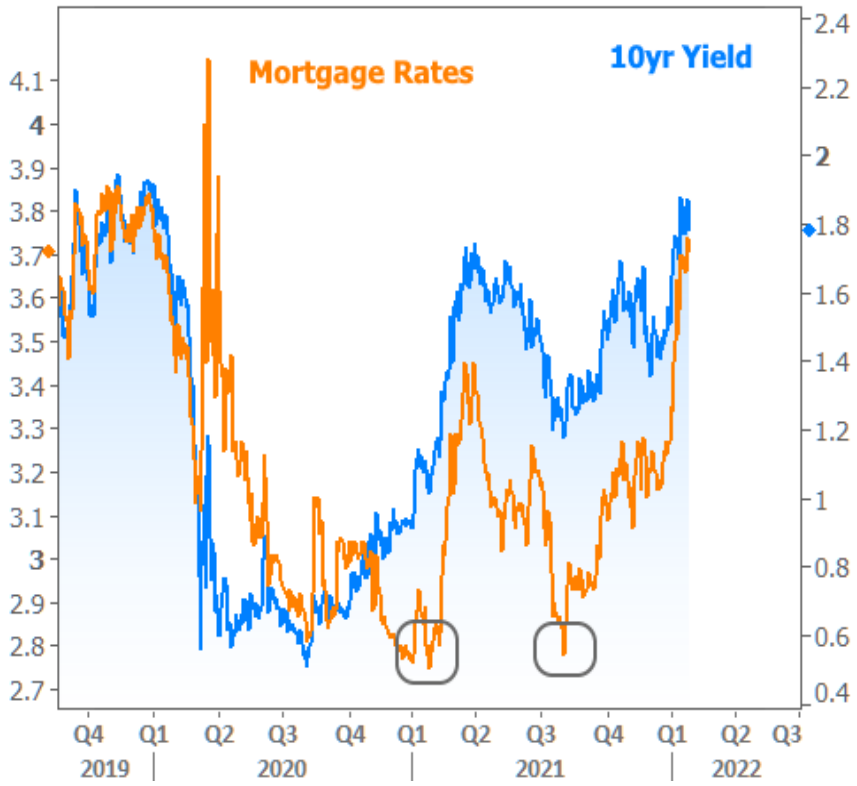


If it doesn't **FEEL** like rates have been rising since August 2020, that may be because mortgage rates were a notable exception at times for a variety of reasons.

© 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



This apparently large rate spike is only now getting rates back into what had previously been the all-time low range.



© 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

If the rising rate environment of 2016-2018 is any guide, rates could indeed **continue higher.** That's actually the baseline assumption for the average market participant, but it relies on continued progress against the pandemic, and an absence of other significant market shocks. Even if rates stick to the unfriendly trend, history suggests it won't be the end of the world, and perhaps not even the end of the economic expansion (not any time soon anyway, but critics often fault the Fed for leaving rates too high for too long as economic contractions approach).

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

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, Jan 24				
1:00PM	2-Yr Note Auction (bl)	54		
Tuesday, Jan 25				
9:00AM	Nov Case Shiller Home Prices y/y (%)	18.3	18.0	18.4
9:00AM	Nov FHFA Home Prices y/y (%)	17.5		17.4
9:00AM	Nov CaseShiller Home Prices m/m (%)	1.2	0.9	0.9
9:00AM	Nov FHFA Home Price Index m/m (%)	1.1		1.1
10:00AM	Jan Consumer confidence	113.8	111.8	115.8
1:00PM	5-Yr Note Auction (bl)		55	
Wednesday, Jan 26				
10:00AM	Dec New Home Sales (%) (%)	11.9		12.4
10:00AM	Dec New Home Sales (ml)	0.811	0.760	0.744
2:00PM	N/A FOMC rate decision (%)	0.000 - 0.250	0.125	0.125
2:30PM	Powell Press Conference			
Thursday, Jan 27				
8:30AM	Q4 GDP Advance (%)	6.9	5.5	2.3
8:30AM	Dec Durable goods (%)	-0.9	-0.5	2.6
8:30AM	w/e Jobless Claims (k)	260	260	286
10:00AM	Dec Pending Home Sales (%)	-3.8	-0.2	-2.2
10:00AM	Dec Pending Sales Index	117.7		122.4
1:00PM	7-Yr Note Auction (bl)	53		
Friday, Jan 28				
8:30AM	Q4 Employment costs (%)	1.0	1.2	1.3
8:30AM	Dec Core PCE Inflation (y/y) (%)	4.9	4.8	4.7
10:00AM	Jan Sentiment: 1y Inflation (%)	4.9		4.9
10:00AM	Jan Sentiment: 5y Inflation (%)	3.1		3.1
10:00AM	Jan Consumer Sentiment (ip)	67.2	68.7	68.8
Monday, Jan 31				
9:45AM	Jan Chicago PMI	65.2	61.7	63.1
Tuesday, Feb 01				

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 ISM Manufacturing PMI	57.6	57.5	58.7
10:00AM	Jan ISM Mfg Prices Paid	76.1	68.1	68.2
10:00AM	Dec Construction spending (%)	0.2	0.6	0.4
Wednesday, Feb 02				
7:00AM	w/e MBA Purchase Index	312.2		300.1
7:00AM	w/e MBA Refi Index	2355.4		1989.4
8:15AM	Jan ADP National Employment (k)	-301	207	807
Thursday, Feb 03				
10:00AM	Jan ISM N-Mfg PMI	59.9	59.5	62.0
10:00AM	Dec Factory orders mm (%)	-0.4	-0.2	1.6
Friday, Feb 04				
8:30AM	Jan Average earnings mm (%)	0.7	0.5	0.6
8:30AM	Jan Non-farm payrolls (k)	467	150	199
8:30AM	Jan Unemployment rate mm (%)	4.0	3.9	3.9

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