

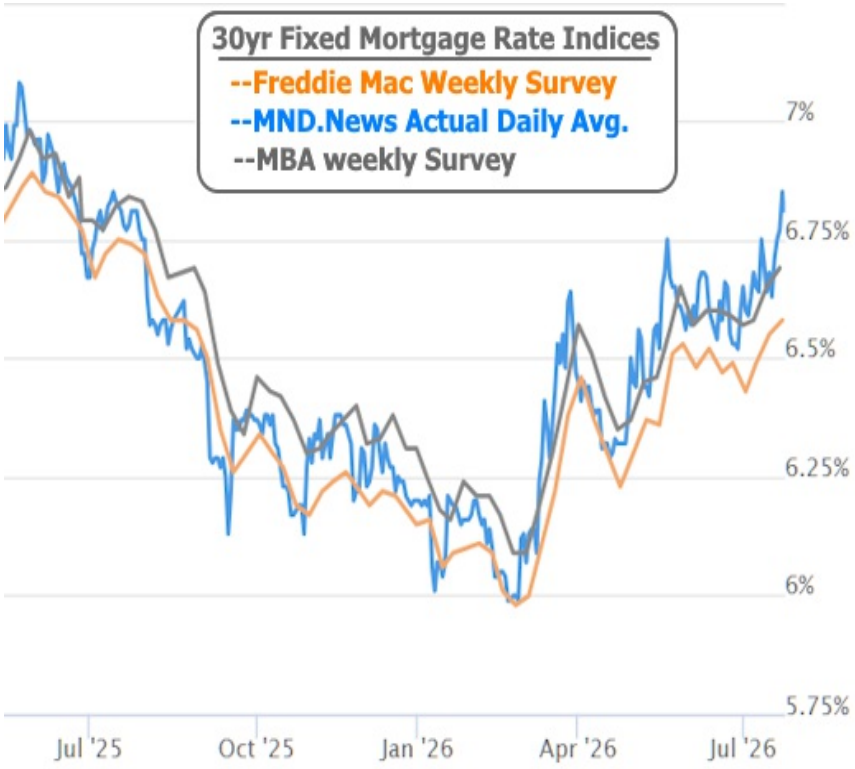
John Downs
SVP | Certified Mortgage Planner, Vellum Mortgage
NMLS #476406
115 West St., Suite 201 Annapolis, MD 21401

Office: 202-899-2603
jdowns@vellummortgage.com
View My Website

Highest Rates in Over a Year (And a Small Recovery on Friday)

While the milestones may be significant, the underlying reasons for them remain simple.

Let's start with the milestones, even though they're not the fun kind. On Thursday, average 30yr fixed mortgage rates hit their highest level in just over a year. The average lender jumped over 6.8% after being closer to 6.5% at the end of June.



If we think about what's happened since the end of June, the calculus is brutally simple: a resurgence of hostilities in the Iran war coincided with a resurgence in fuel prices which, in turn, push rates higher due to inflation implications (higher inflation = higher rates, all else equal).

There are several ways to track fuel prices both in terms of today's cash value and the future value for any given month over the next few years. In the slightly bigger picture, gasoline futures for a specific month later in 2026 have done the best job of showing the war's impact on bonds (and bonds, of course, directly dictate interest rate movement).

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.45%	-0.01	0.00
15YR Fixed	6.99%	+0.01	0.00
30YR FHA	7.05%	+0.01	0.00
30YR Jumbo	7.50%	0.00	0.00
7/6 SOFR	7.00%	-0.07	0.00
30YR VA	7.07%	+0.01	0.00

Rates as of: 11/19

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.34	+0.24
10 YR Treasury	4.9878	-0.0558
30 YR Treasury	5.3654	-0.0408

Pricing as of: 11/20 9:15AM 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/downsgroup

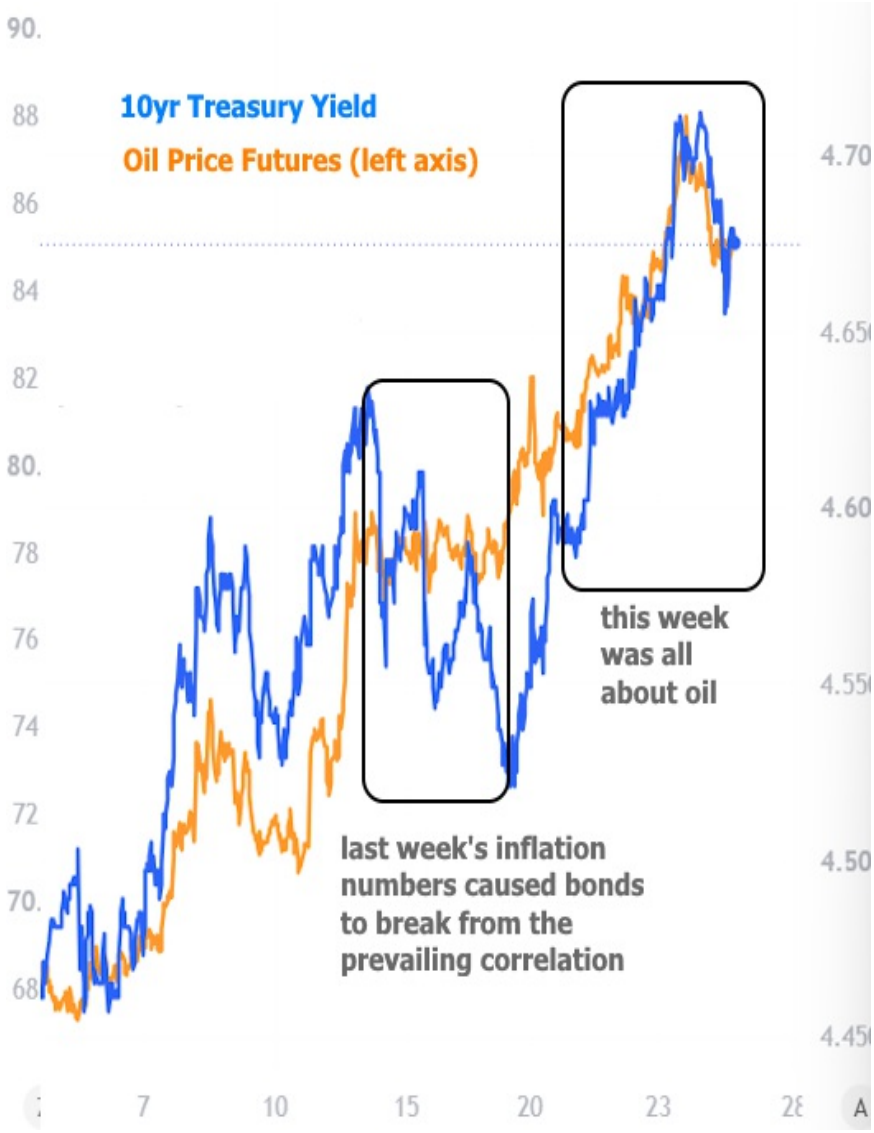


Over shorter time horizons, near-term crude oil prices (either cash or the "front month" futures contract) tend to correlate the best with the bond market. The following chart shows that. It also confirms that inflation is the key consideration because bonds/rates were able to move nicely lower last week following lower-than-expected inflation readings in two key reports.

© 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/downsgroup

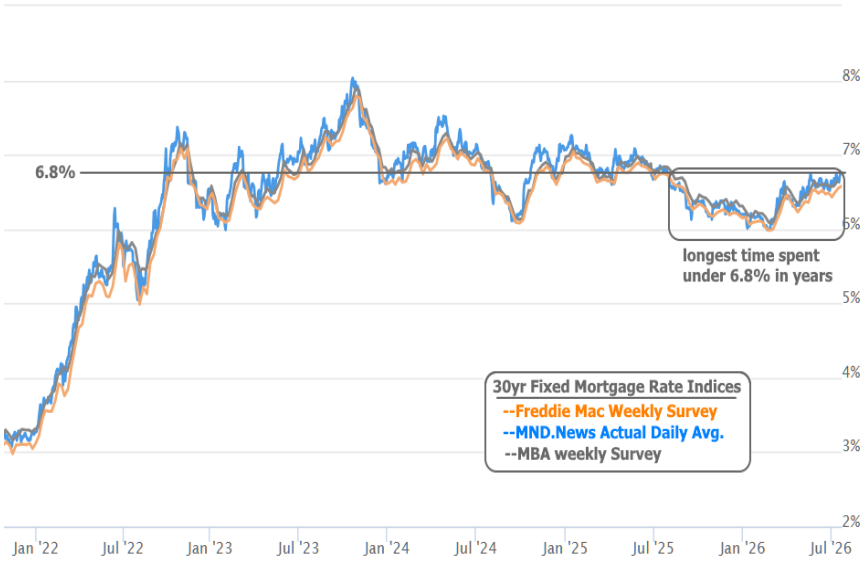


The bad news is clear, but is there any good news? Yes, actually, depending one your definition of "good." While it may not be much of a consolation, it's worth remembering that rates are the highest in a year because that year has been the best stretch of good luck we've seen since 2021. Otherwise, 6.8+ would be just another mid-range mark in the post-covid era.

© 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/downsgroup



The even better news is simply this: if rates have largely moved up due to oil prices, then they should be able to recover a meaningful amount of what was lost if oil prices find a way to move back down. Of course that's a big "if" in terms of timing, but it's useful to know that there's a clear path toward lower rates that depends on things that could actually happen in the near term.

Going forward, it clearly makes sense to expect rates and oil to continue their correlation. In addition, next week's Fed announcement is a potential source of volatility independent from fuel prices. The market has priced in nearly a 40% chance of a Fed rate hike despite 9 out of 10 traders expecting the Fed to keep rates steady. Such a dislocation between Fed Funds Futures and market sentiment is a recipe for a larger reaction than normal to a Fed announcement.

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

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, Jul 20				
10:00AM	Jun CB Leading Index MoM (%)	-0.2%	-0.1%	0.1%
Wednesday, Jul 22				
7:00AM	Jul/17 MBA Refi Index	802.3		821.9
7:00AM	Jul/17 MBA Purchase Index	165.8		157.2
Thursday, Jul 23				
8:30AM	Jul/18 Jobless Claims (k)	187K	212K	208K
Friday, Jul 24				
10:00AM	Jun New Home Sales (ml)	0.628M	0.61M	0.58M
Monday, Jul 27				
8:30AM	Jun Durable goods (%)	0.3%	2.5%	-4.5%
Tuesday, Jul 28				
9:00AM	May Case Shiller Home Prices-20 y/y (%)	1.6%	1.3%	1.1%
9:00AM	May FHFA Home Prices y/y (%)	2.2%		2%

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/downsgroup

Date	Event	Actual	Forecast	Prior
10:00AM	Jul CB Consumer Confidence (%)	90.8	92.3	91.2
Wednesday, Jul 29				
2:00PM	Fed Interest Rate Decision	3.75%	3.75%	3.75%
2:30PM	Fed Press Conference			
Thursday, Jul 30				
8:30AM	Jul/25 Jobless Claims (k)	197K	200K	187K
8:30AM	Q2 GDP (%)	1.5%	2.1%	2.1%
8:30AM	Jun Core PCE (y/y) (%)	3.3%	3.3%	3.4%
Friday, Jul 31				
8:30AM	Q2 Employment costs (%)	0.9%	0.8%	0.9%
9:45AM	Jul Chicago PMI	57.6	56	56.7
10:00AM	Jul Consumer Sentiment (ip)	55.2	54.0	49.5

© 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/downsgroup