

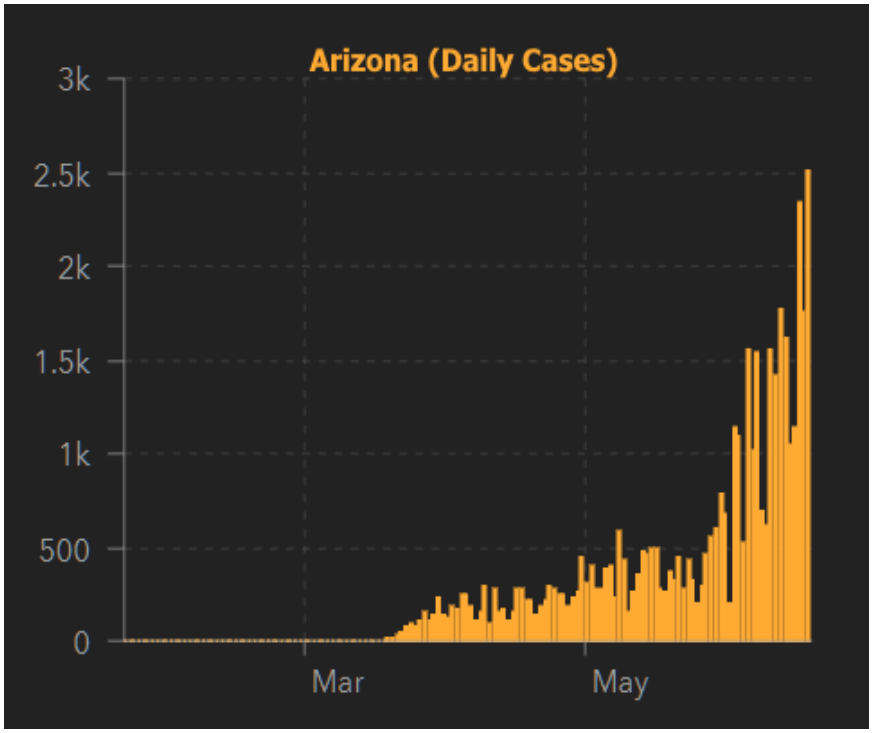
Steve Dunnett
Sr Mortgage Consultant, GreenState Credit Union
NMLS# 755940
112 S Sangamon Second Floor Chicago, IL 60607

Office: (312) 725-2068
Mobile: (708) 289-3408
stevedunnett@greenstate.org
View My Website

The Great Debate for Rates, Housing, and Markets

Coronavirus hit markets with unprecedented force in March. Stock prices and bond yields sank. When the outlook grew less dire, markets began moving back in the other direction. As quarantine measures ease, fear surrounding a second wave of COVID-19 is **pushing back** on the recovery in markets.

Let's quantify the fear using daily COVID-19 case counts in several key states.



National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.27%	-0.02	0.00
15YR Fixed	6.92%	-0.03	0.00
30YR FHA	6.90%	-0.01	0.00
30YR Jumbo	7.55%	0.00	0.00
7/6 SOFR	6.78%	-0.10	0.00
30YR VA	6.91%	-0.01	0.00

Rates as of: 10/30

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.81	-0.02
10 YR Treasury	4.9299	+0.0084
30 YR Treasury	5.3082	+0.0081

Pricing as of: 10/30 5:59PM EST

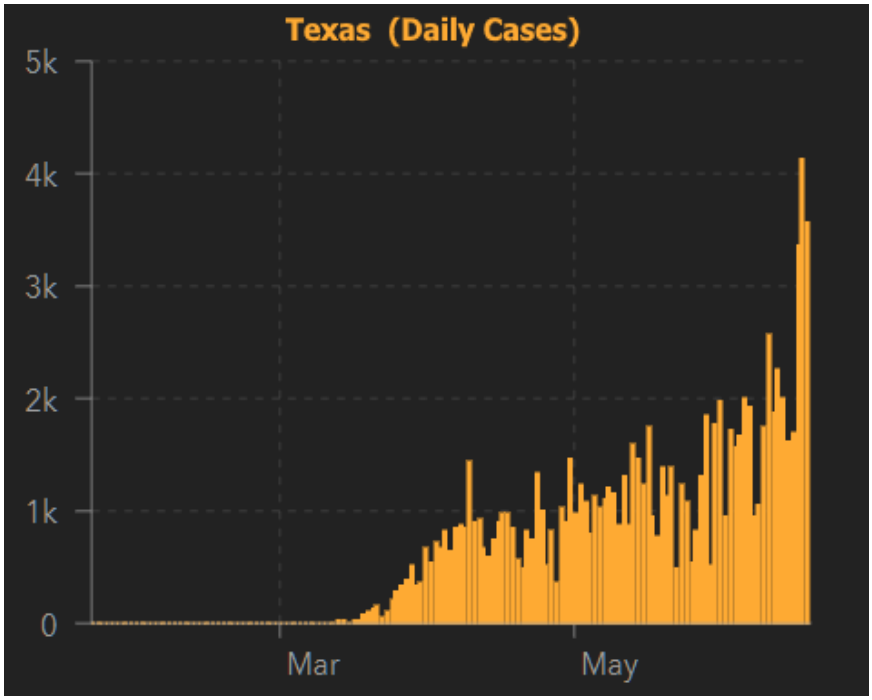
Recent Housing Data

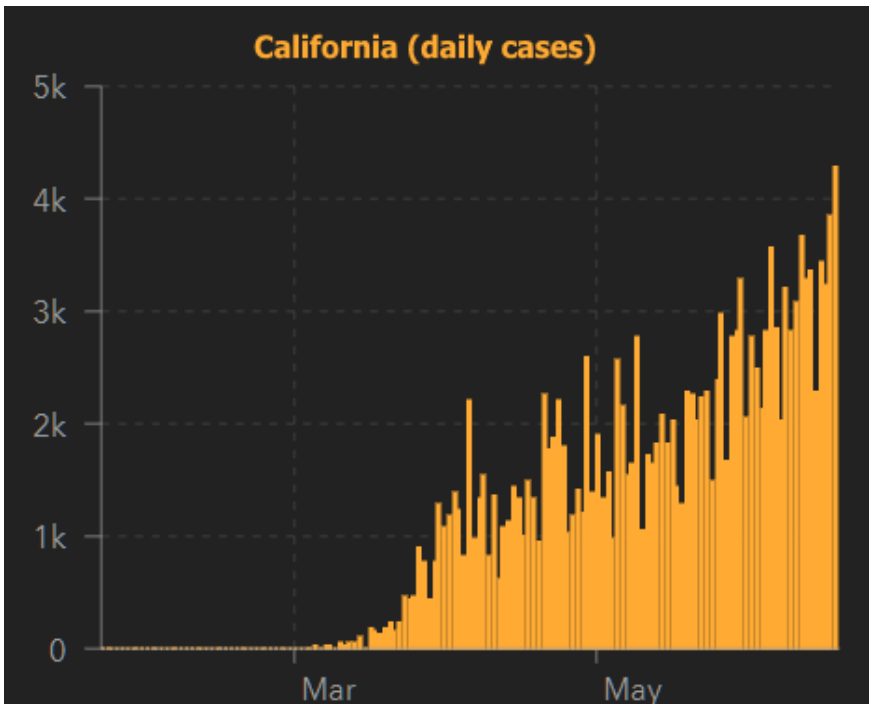
		Value	Change
Mortgage Apps	Oct 21	195	+3.39%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

© 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/dunnettmortgage





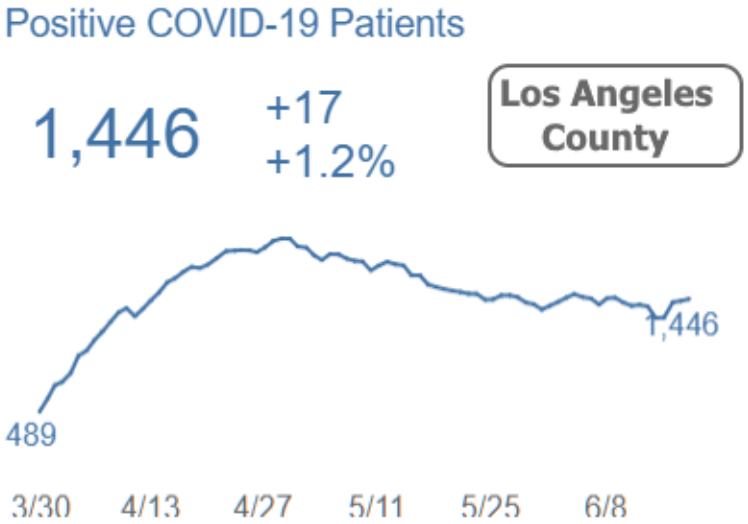
There's no question that these trends are alarming at face value, but the **implications can vary** quite a bit due to increased testing. We can get a clearer sense of the risks by looking at hospitalization data.

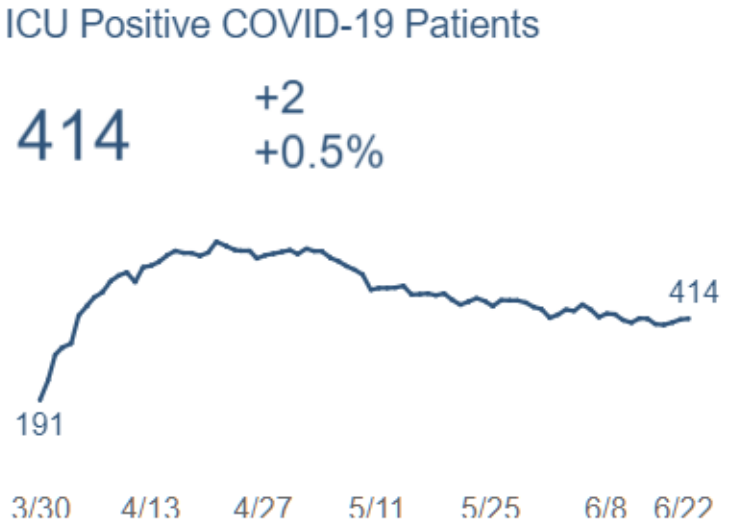
For example, the **seemingly dire** situation in California looks quite different based on LA County hospitalizations. Numbers remain elevated, but they're not rising nearly as fast as case counts.

© 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/dunnettmortgage



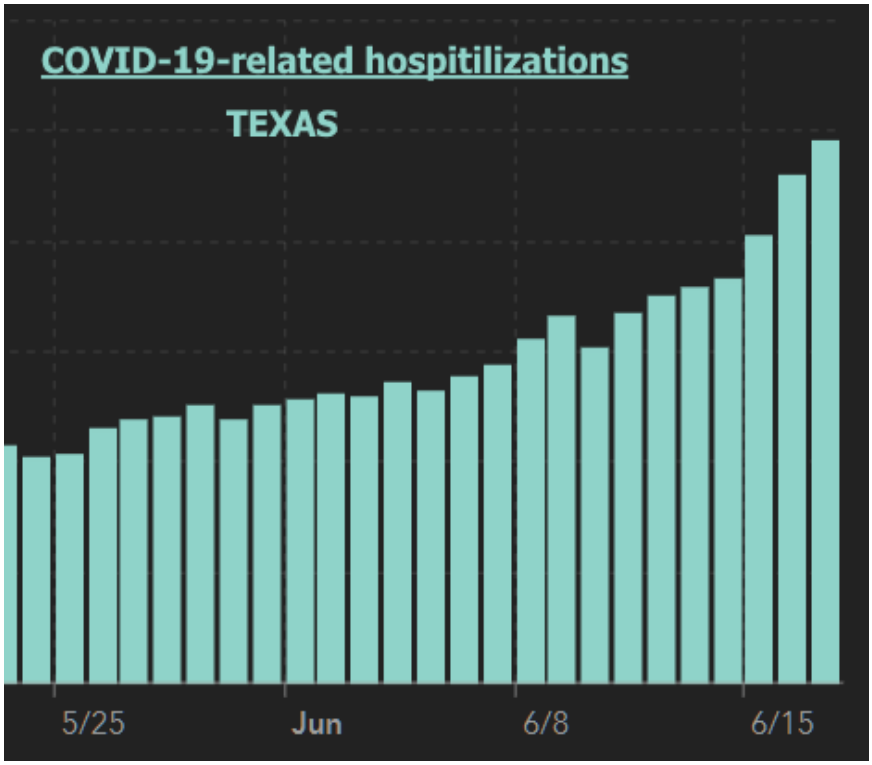


In Texas and Arizona, however, hospitalizations **confirm** the negative trends.

© 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.

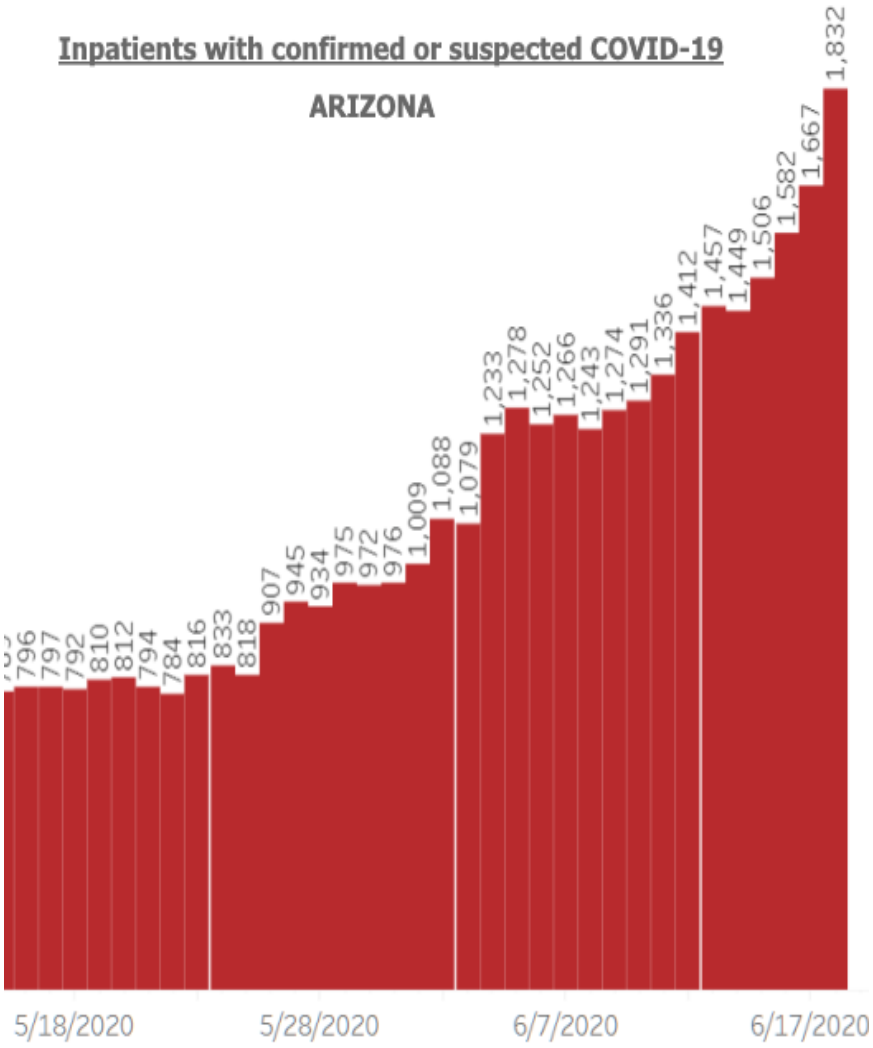
Read or subscribe to my newsletter online at: http://housingnewsletters.com/dunnettmortgage



© 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/dunnettmortgage



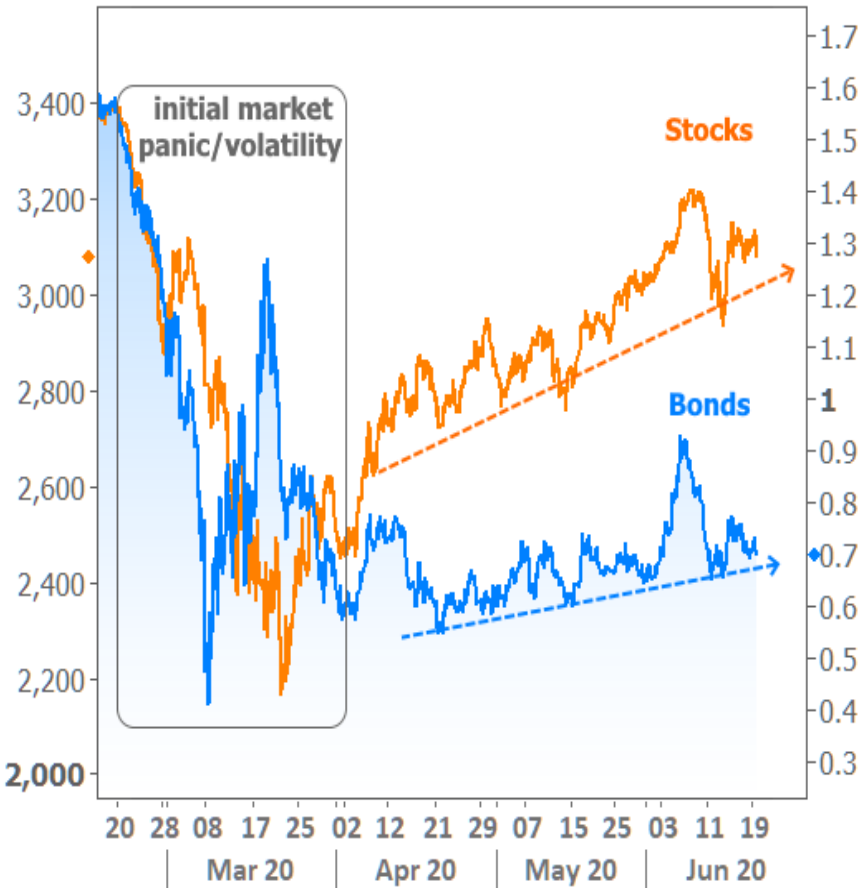
This data raises more questions than it answers, and it's at the heart of why markets are entering a highly uncertain time. Simply put, panic and defensiveness were absolutely the right calls in March. And some level of optimism was clearly warranted after that. In other words, it **made sense** to see stocks and bond yields tank in March and then move higher.

But **now what?** After attempting to run higher in early June, both stocks and bonds fell abruptly 2 weeks ago. This coincided with a ramp up in concerns about a second wave of COVID-19 impacts. Are we standing on the brink of a market reversal or merely trying to find the right balance between economic reopenings and public health risk?

© 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/dunnettmortgage



To whatever extent markets trade the "2nd wave" narrative, we could see stocks and bonds try to move below the dotted lines in the chart above. No matter where they go, they're **increasingly likely** to take cues from each other (i.e. stock prices and bond yields moving in the same direction). This is easiest to see over shorter periods of time.

© 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/dunnettmortgage

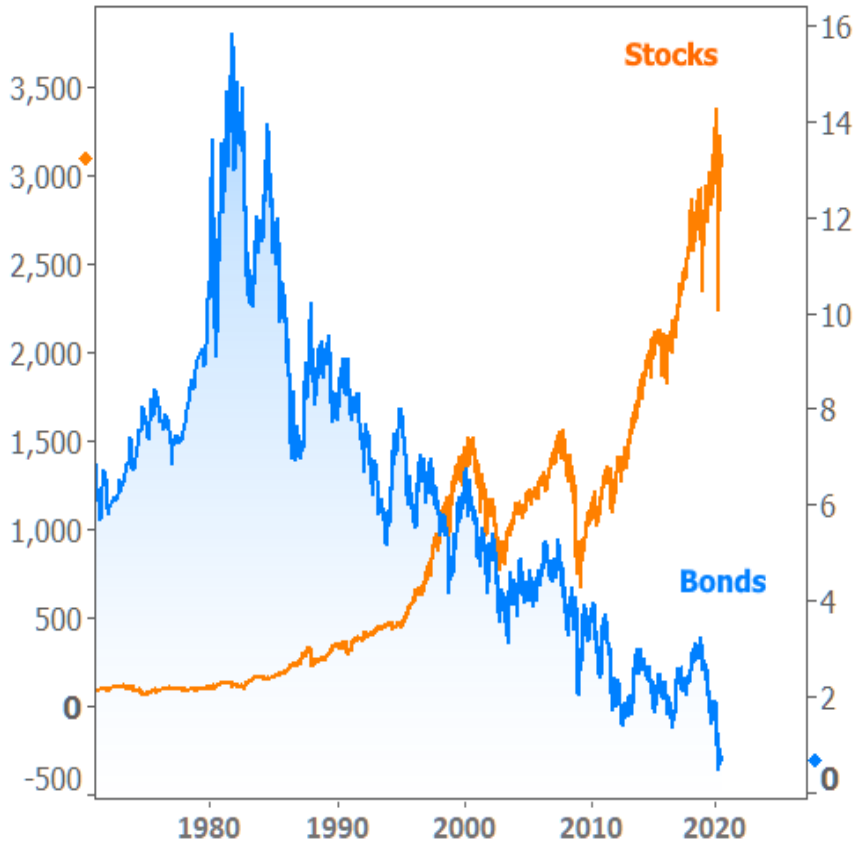


And no reference to stock/bond correlation would be complete without a reminder that one should **never** expect this relationship to play out in the longer term:

© 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/dunnettmortgage



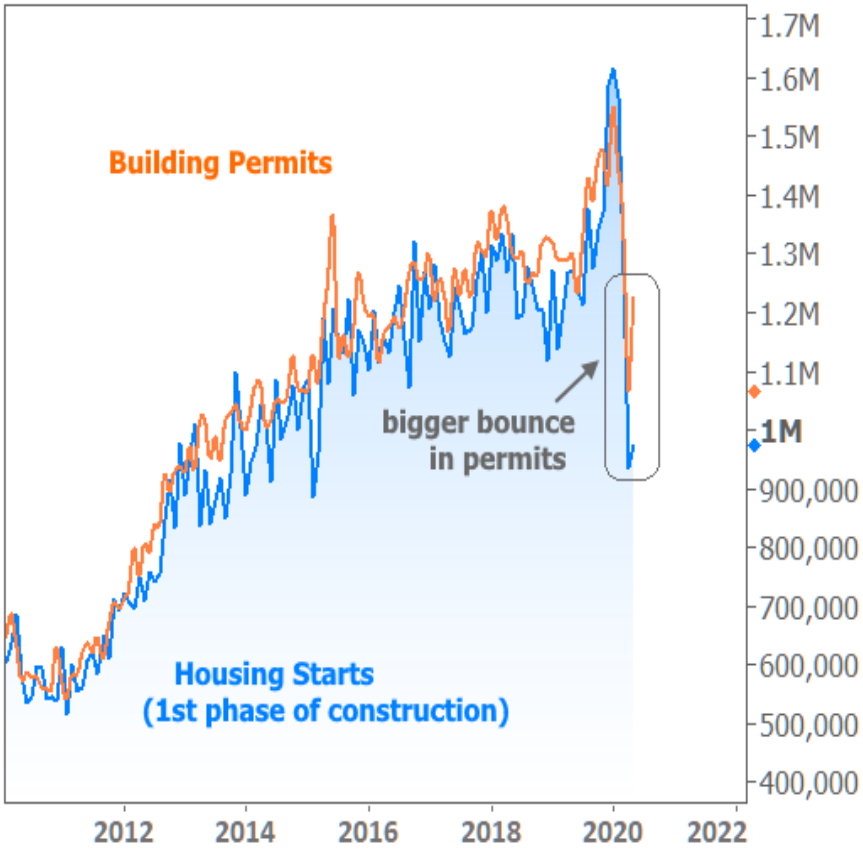
Financial markets are one thing, but how about the **housing and mortgage** markets? This week brought data on new home construction as well as builder confidence. The numbers speak to optimism about the future while still conveying the ill effects of the present.

Specifically, "Housing Starts" which measure the actual ground-breaking phase of construction, are still noticeably **depressed** relative to previous levels. Meanwhile, Building Permits bounced back in **grand fashion** (up 14.4% in May and April's 21% loss was revised to only a 5.7% loss). Neither are back to pre-covid levels, but permits are close.

© 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/dunnettmortgage

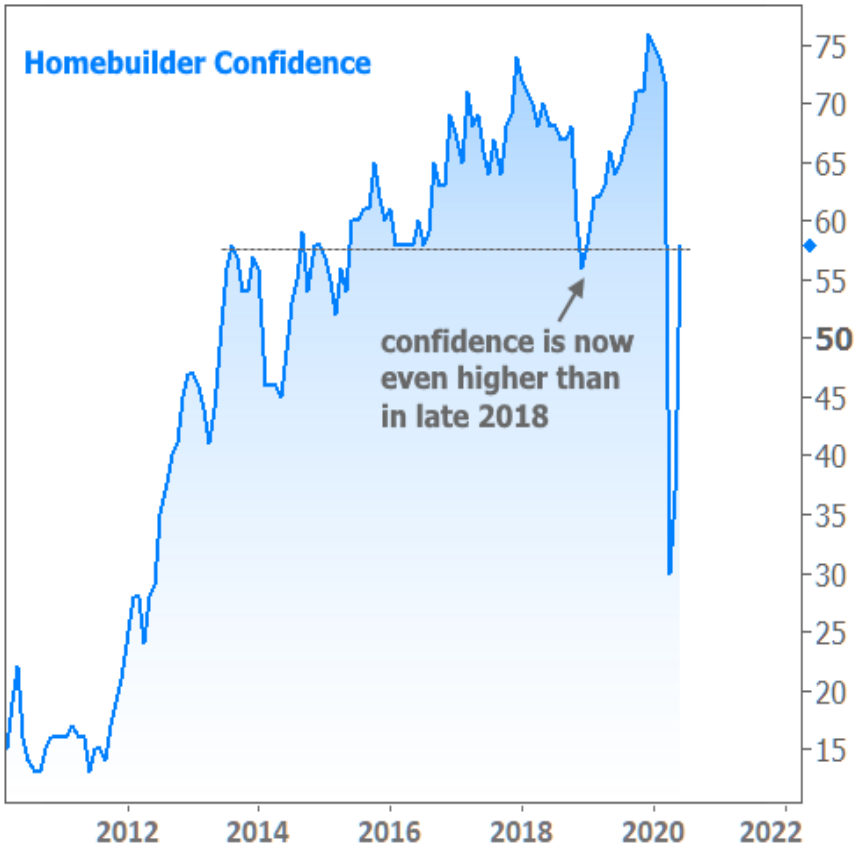


It's no surprise, then, to find that **builder confidence soared** in the National Association of Home Builder's latest survey. Notably, this survey data was collected well **after** the Housing Starts data in the chart above. As such, it may suggest a stronger bounce in construction next month.

© 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/dunnettmortgage

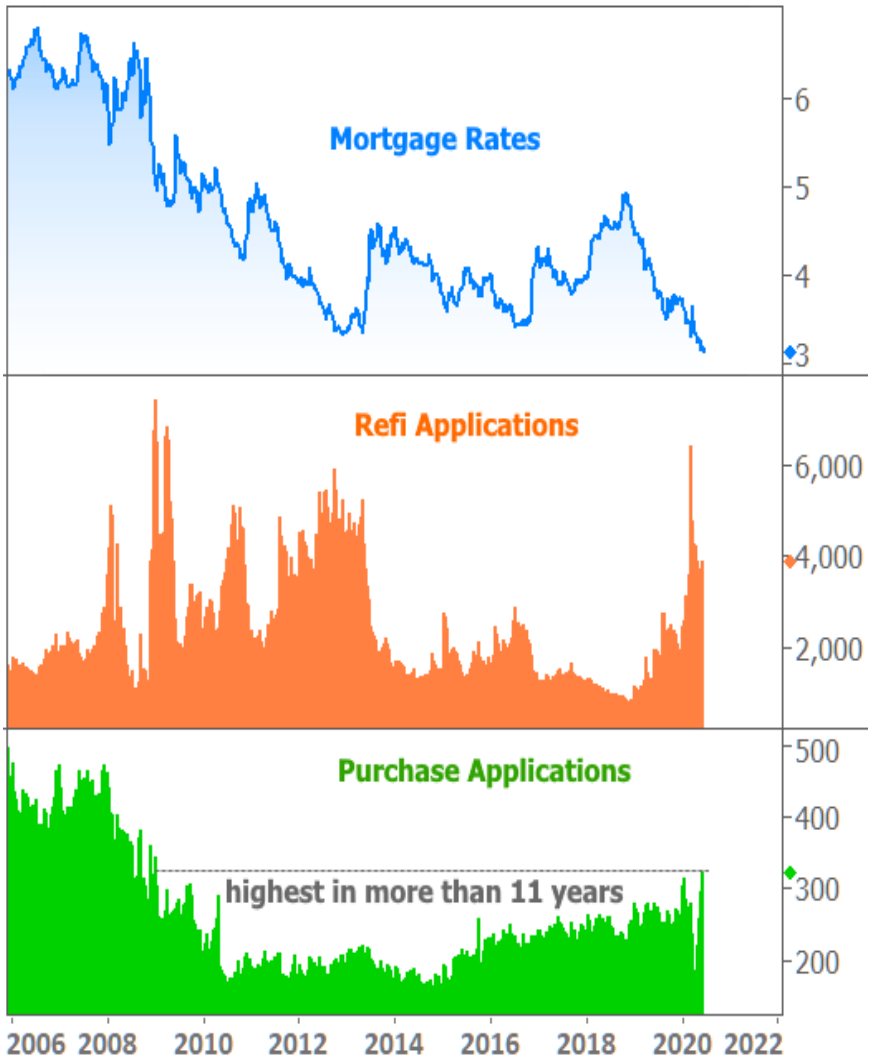


Are builders participating in reality or is this **false hope?** If the weekly mortgage application data from the Mortgage Bankers Association is any indication, optimism is justified. Purchase applications were as high as they've been since late 2008!

© 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/dunnettmortgage



The chart above brings **another question** into focus: how much of the strength in the housing market is due to mortgage rates holding near all-time lows? Unequivocally, rates are helping housing numbers reach higher than they otherwise would be, but keep in mind, mortgages are much harder to get for certain scenarios right now. Beyond that, the home shopping process has challenges of its own that are keeping some would-be buyers sidelined for a bit longer.

The **takeaway** is that the bounce back in housing numbers is just like the bounce back in many other sectors of the economy. Things got bad enough that there was simply plenty of room for improvement.

No one is saying "everything's fine now... back to business as usual!" Rather, many things are just quite a bit better than they were--so much so that we're now in a position to debate whether the recovery narrative continues or cools off. That's a debate that will remain open as long as COVID-19 numbers are pushing back on states' lifting of quarantine measures.

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

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, Jun 15				
8:30AM	Jun NY Fed Manufacturing	-0.2	-29.80	-48.50

Event Importance:

No Stars = Insignificant
☆ Low
★ Moderate
★★ 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/dunnettmortgage

★★ Very Important

Date	Event	Actual	Forecast	Prior
Tuesday, Jun 16				
8:30AM	May Retail Sales (%)	17.7	8.0	-16.4
9:15AM	May Industrial Production (%)	1.4	2.9	-11.2
10:00AM	Apr Business Inventories (%)	-1.3	-0.8	-0.2
10:00AM	Jun NAHB housing market indx	58	45	37
Wednesday, Jun 17				
7:00AM	w/e MBA Purchase Index	322.5		311.7
7:00AM	w/e Mortgage Refinance Index	3891.5		3529.0
8:30AM	May House starts mm: change (%)	4.3		-30.2
8:30AM	May Build permits: change mm (%)	14.4		-21.4
8:30AM	May Building permits: number (ml)	1.220	1.228	1.066
8:30AM	May Housing starts number mm (ml)	0.974	1.095	0.891
Thursday, Jun 18				
8:30AM	Jun Philly Fed Business Index	27.5	-23.0	-43.1
8:30AM	w/e Jobless Claims (k)	1508	1300	1542
10:00AM	May Leading index chg mm (%)	2.8	2.3	-4.4
Monday, Jun 22				
10:00AM	May Existing home sales (ml)	3.91	4.12	4.33
10:00AM	May Exist. home sales % chg (%)	-9.7	-3.0	-17.8
Tuesday, Jun 23				
10:00AM	May New home sales-units mm (ml)	0.676	0.640	0.623
10:00AM	May New home sales chg mm (%)	16.6	2.9	0.6
Wednesday, Jun 24				
7:00AM	w/e MBA Purchase Index	312.7		322.5
7:00AM	w/e Mortgage Refinance Index	3434.6		3891.5
9:00AM	Apr Monthly Home Price yy (%)	5.5		5.9
Thursday, Jun 25				
8:30AM	Q1 GDP Final (%)	-5.0	-5.0	-5.0
8:30AM	May Durable goods (%)	15.8	10.9	-17.7
Friday, Jun 26				
8:30AM	May Core PCE Inflation (y/y) (%)	1.0	0.9	1.0
10:00AM	Jun Consumer Sentiment (ip)	78.1	79.0	78.9

© 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/dunnettmortgage