

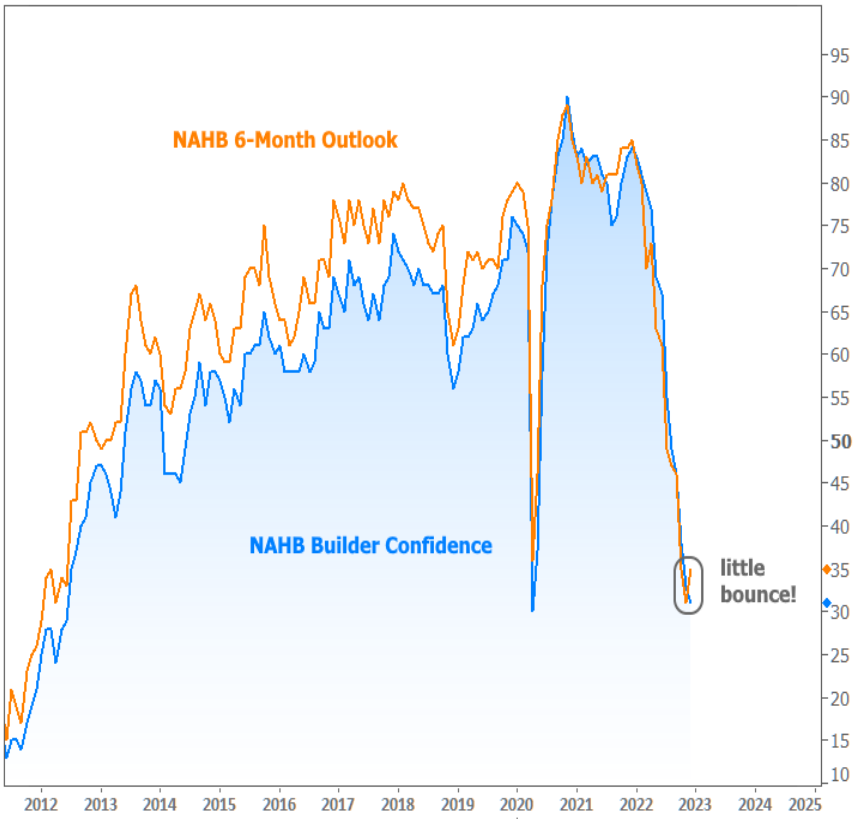
**Scott Ward**
President, Potomac Mortgage Advisors
NMLS 4065
46169 Westlake Drive Suite 100 POTOMAC FALLS, VA 20165

Office: 703-406-8200
Mobile: 571-283-4424
scott.ward@potomacmortgageadvisors.com
View My Website

# Mixed Signals in Housing Data and Small-Scale Volatility in Rates

The last two weeks of December are unlike almost any time of year in terms of market movement and what we should read into it, but there were several housing-related reports that are worth considering as we head into the new year.

The National Association of Homebuilders (NAHB) published its builder confidence numbers on Monday. Overall confidence (aka "headline") dropped for the 12th straight month to nearly the lowest level in more than a decade. There was a small glimmer of hope in the 6-month outlook which moved higher from last month and rose above headline confidence index for the first time all year. The more we see developments like this in the data, the more it would speak to a bottoming-out process for housing market weakness.




## National Average Mortgage Rates




| Mortgage News Daily | Rate | Change | Points |
|---|---|---|---|
| 30YR Fixed | 7.32% | -0.02 | 0.00 |
| 15YR Fixed | 6.87% | -0.02 | 0.00 |
| 30YR FHA | 6.95% | -0.01 | 0.00 |
| 30YR Jumbo | 7.42% | -0.03 | 0.00 |
| 7/6 SOFR | 6.70% | -0.13 | 0.00 |
| 30YR VA | 6.97% | 0.00 | 0.00 |

Rates as of: 11/24

## MBS and Treasury

| | Price / Yield | Change |
|---|---|---|
| MBS UMBS 6.0 | 99.59 | +0.04 |
| 10 YR Treasury | 4.9267 | -0.0195 |
| 30 YR Treasury | 5.3214 | +0.0130 |

Pricing as of: 11/24 5:59PM EST

## Recent Housing Data

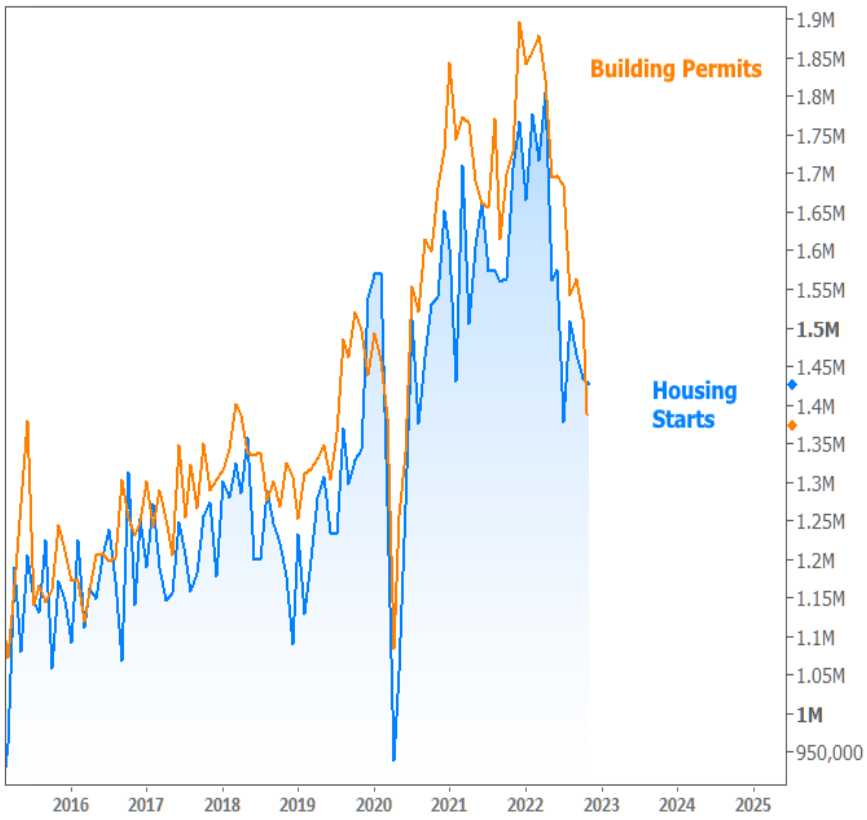
| | | Value | Change |
|---|---|---|---|
| Mortgage Apps | Nov 11 | 199.8 | -2.35% |
| Building Permits | Oct | 1.3M | -7.5% |
| Housing Starts | Oct | 1.31M | +7.21% |
| New Home Sales | Sep | 676K | -1.17% |
| Pending Home Sales | Oct | 63 | -4.69% |
| Existing Home Sales | Oct | 3.99M | +0.25% |
|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

Other housing-related data conveyed mixed signals as well. A day later, the government's New Residential Construction report showed a resilience in housing starts (the ground-breaking phase of construction) juxtaposed with a sharp decline in new building permits.



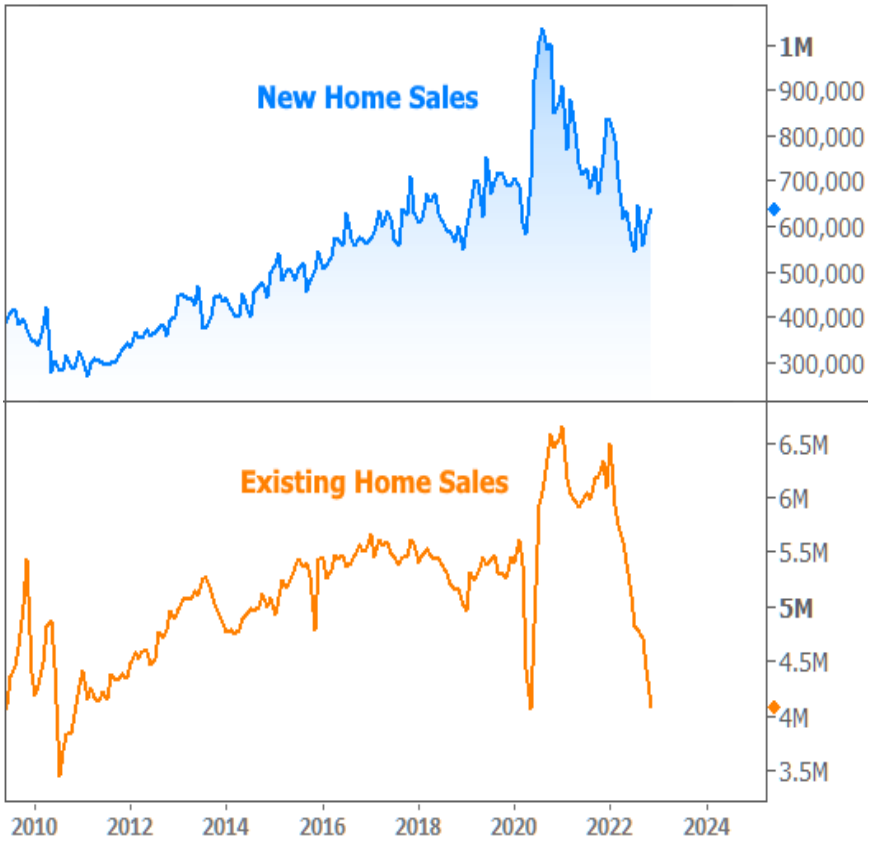

There are many layers of complexity underlying those numbers, and there are different conclusions to be gleaned depending on perception. In the shorter term, there's no doubt the housing correction has been swift. But in the bigger picture, one might consider this correction to be payback for the uncanny boom of the past 2 years. After all, housing starts are still running well above roughly a decade of the pre-covid years.

Speaking of things depending on perception, let's compare two other housing reports that came out this week: New vs Existing Home Sales.

© 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/potomacmortgageadvisors

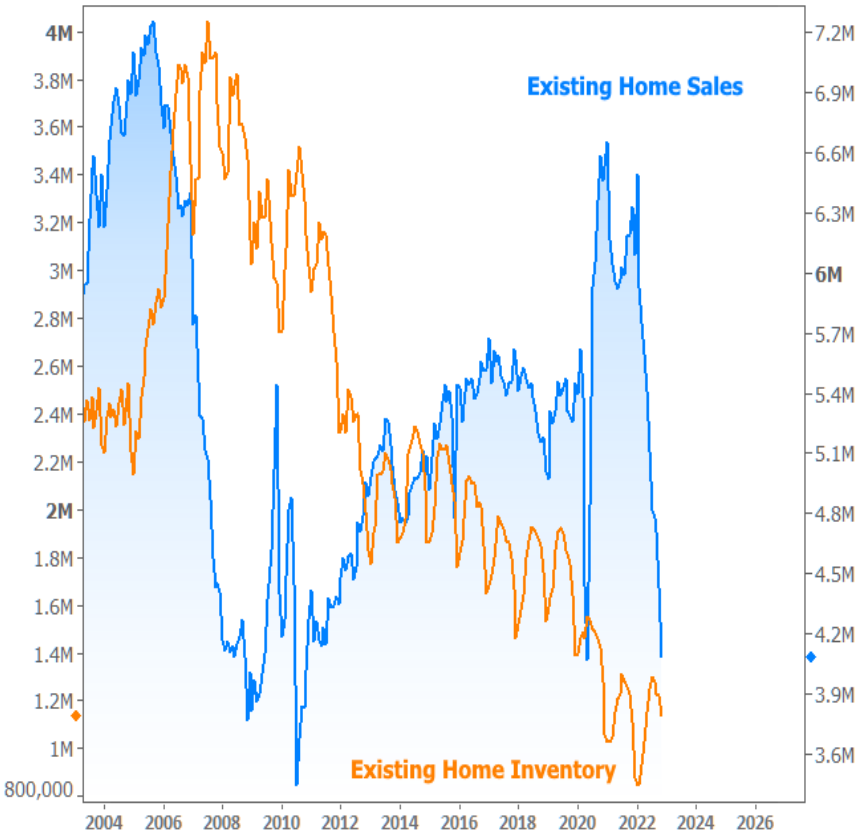



At first glance, it looks like new home sales are holding up quite well whereas existing home sales have fallen off a cliff. That's actually not entirely untrue. Builders are eager to sell new homes whereas homeowners are extremely hesitant to sell their existing homes (thus giving up their lower mortgage rate and being faced with the prospect of higher prices and higher rates on their next home). That hesitation is apparent in the extremely low inventory levels of existing homes (notably very different than the financial crisis when inventory exploded).

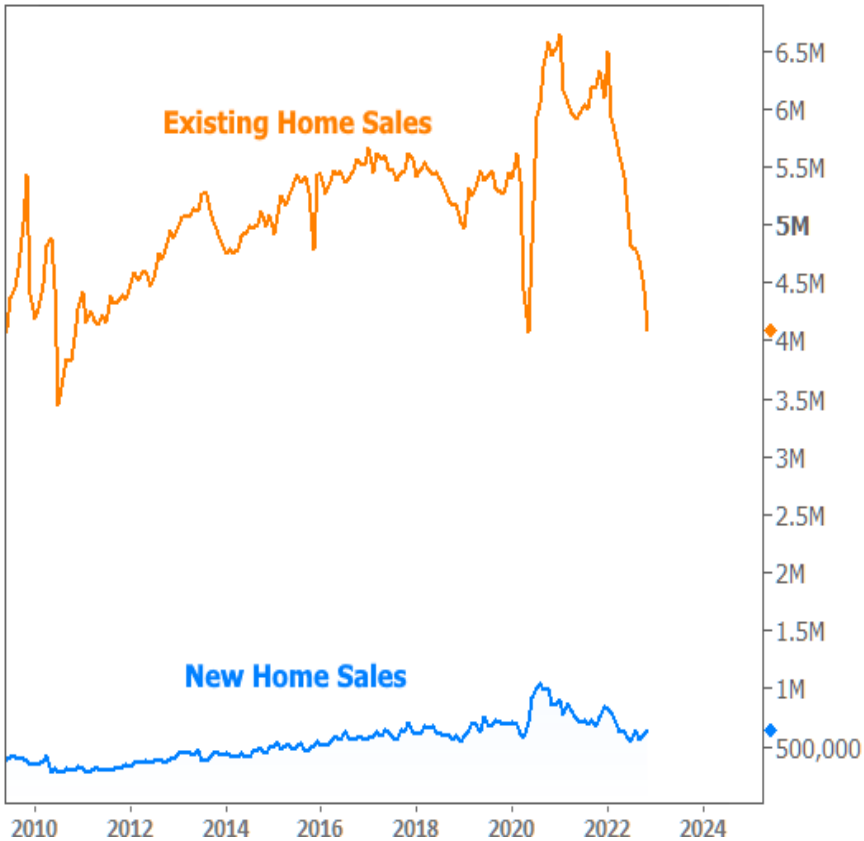
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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/potomacmortgageadvisors




The other factor that allows such a disparate performance in New vs Existing homes is the relative size of the two markets. Here's how the exact same numbers look when charted on the same axis.




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

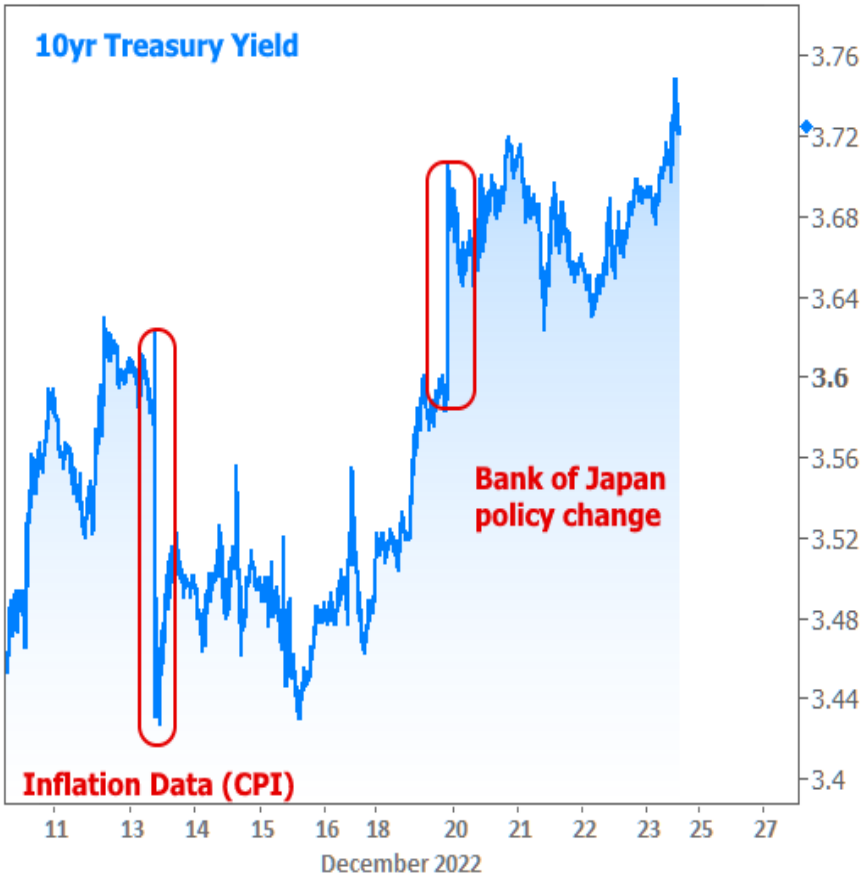
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

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

In other words, new home sales are so small by comparison that the discrepancy isn't as hard to reconcile. It doesn't take too much success on the part of a few big homebuilders to cause some resilience in the blue line.

Shifting gears to financial markets, we see a similar phenomenon during the last two weeks of December. Trading activity winds down in such a way that each trader left in the office has a bigger impact on trading levels than they would during a busier time of year. This played out on Tuesday when the bond market reacted to an unexpected policy change from the Bank of Japan.

The chart below shows 10yr Treasury yields (a benchmark for all longer term rates in the US) losing nearly as much as they'd gained after last week's inflation report. On any other week of the year, it would be unfathomable to see foreign central bank policy affect rates in the US as much as a hotly anticipated CPI report.

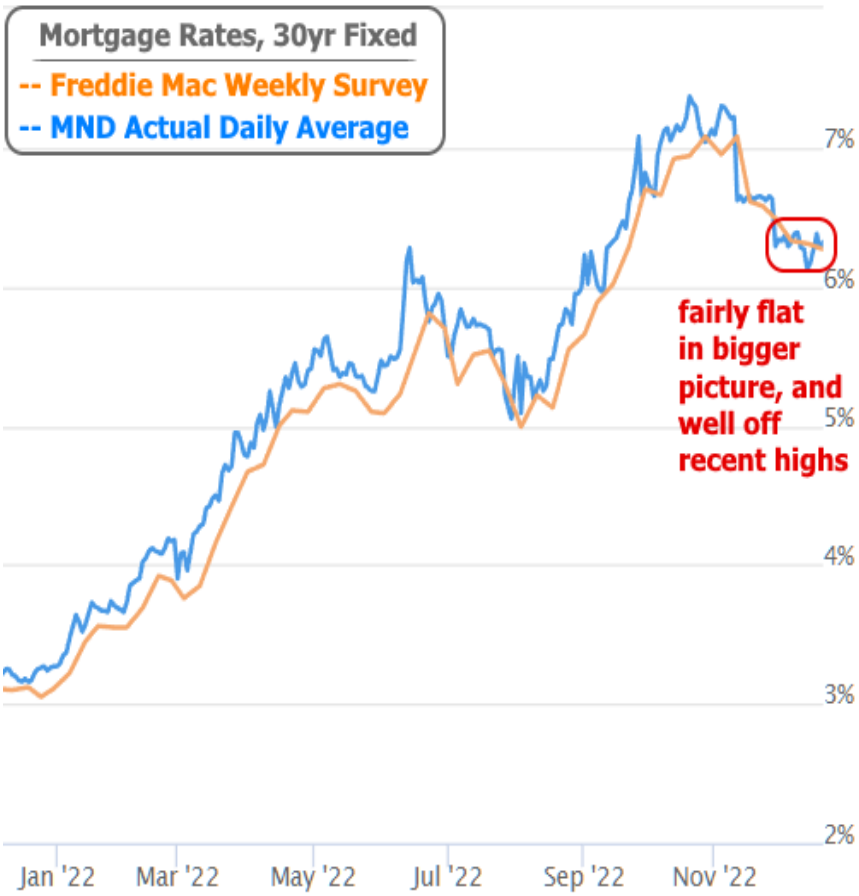



Thankfully, the volatility in the chart above represents only a small cross-section of the roads we've recently traveled. That's even more apparent for mortgage rates. True, the average lender raised rates fairly quickly to start the week, but after offsetting that move with last week's improvements, December looks somewhat flat in the bigger picture and still much lower than the recent highs.

© 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/potomacmortgageadvisors



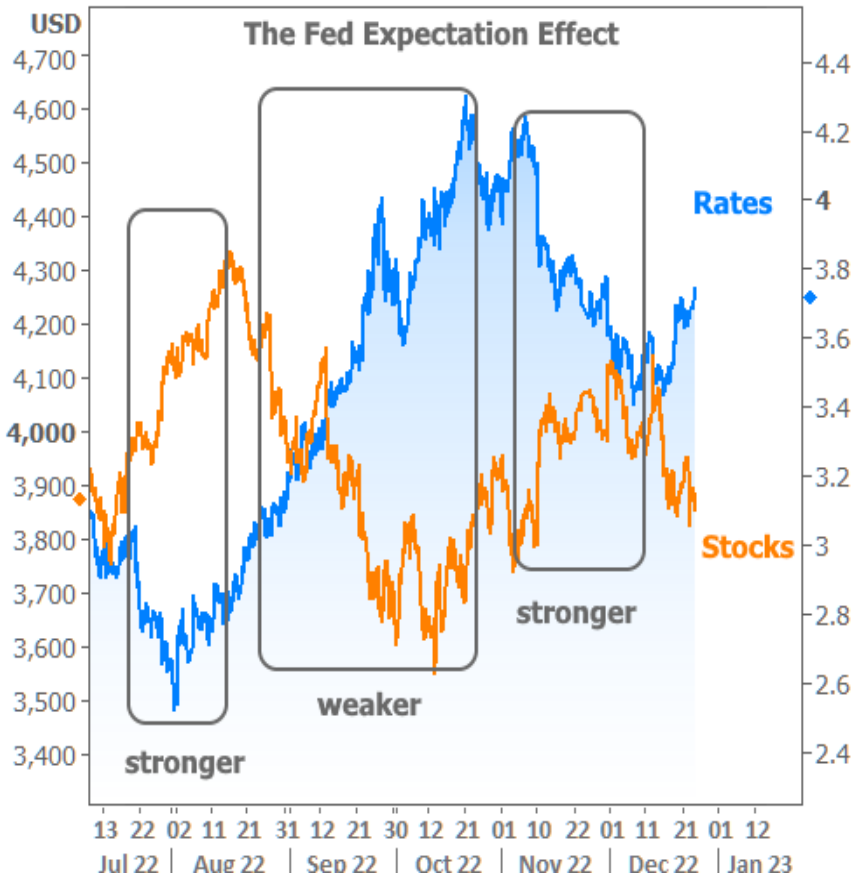

Heading into the new year, markets will continue to focus on economic data that speaks to the Federal Reserve's policy outlook. Inflation data is the most important in this regard, but other economic indicators shouldn't be ignored. In general, higher inflation and stronger economic growth is bad for both stocks and bonds. Vice versa for cooler inflation and a cooling economy.

The Fed expectation effect is readily apparent in charts with stock prices and bond yields (aka "rates") tending to move in opposite directions depending on what the data suggests the Fed will do. Both improved in July when data faltered. Then stocks tumbled while rates spiked heading into the fall months due to resilience in economic data and upside surprises in inflation. The last two months of cooler inflation data have been the key drivers behind the Nov/Dec recovery.

© 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/potomacmortgageadvisors




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

## Recent Economic Data

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Monday, Dec 19** | | | | |
| 10:00AM | Dec NAHB housing market indx | 31 | 34 | 33 |
| **Tuesday, Dec 20** | | | | |
| 8:30AM | Nov House starts mm: change (%) | -0.5 | | -4.2 |
| 8:30AM | Nov Housing starts number mm (ml) | 1.427 | 1.400 | 1.425 |
| 8:30AM | Nov Building permits: number (ml) | 1.342 | 1.485 | 1.512 |
| 8:30AM | Nov Build permits: change mm (%) | -11.2 | | -3.3 |
| **Wednesday, Dec 21** | | | | |
| 7:00AM | w/e MBA Refi Index | 371.4 | | 350.5 |
| 7:00AM | w/e MBA Purchase Index | 182.5 | | 182.6 |
| 10:00AM | Nov Exist. home sales % chg (%) | -7.7 | -5.4 | -5.9 |
| 10:00AM | Nov Existing home sales (ml) | 4.09 | 4.20 | 4.43 |
| 10:00AM | Dec Consumer confidence | 108.3 | 101.0 | 100.2 |
| **Thursday, Dec 22** | | | | |

## 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/potomacmortgageadvisors

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| 8:30AM | Q3 GDP Final (%) | 3.2 | 2.9 | 2.9 |
| 8:30AM | w/e Jobless Claims (k) | 216 | 222 | 211 |
| 10:00AM | Nov Leading index chg mm (%) | -1.0 | -0.4 | -0.8 |
| **Friday, Dec 23** | | | | |
| 8:30AM | Nov Durable goods (%) | -2.1 | -0.6 | 1.1 |
| 8:30AM | Nov Core PCE Inflation (y/y) (%) | 4.7 | 4.7 | 5.0 |
| 10:00AM | Dec Sentiment: 1y Inflation (%) | 4.4 | | 4.6 |
| 10:00AM | Nov New Home Sales (ml) | 0.640 | 0.600 | 0.632 |
| 10:00AM | Dec Consumer Sentiment (ip) | 59.7 | 59.1 | 59.1 |
| 10:00AM | Dec Sentiment: 5y Inflation (%) | 2.9 | | 3.0 |
| 10:00AM | Nov New Home Sales (%) (%) | +5.8 | -4.7 | 7.5 |
| **Tuesday, Dec 27** | | | | |
| 9:00AM | Oct Case Shiller Home Prices-20 y/y (% ) | 8.6 | 8.2 | 10.4 |
| 9:00AM | Oct CaseShiller Home Prices m/m (%) | -0.5 | -1.1 | -1.2 |
| 9:00AM | Oct FHFA Home Prices y/y (%) | 9.8 | | 11.0 |
| 9:00AM | Oct FHFA Home Price Index m/m (%) | 0.0 | | 0.1 |
| 1:00PM | 2-Yr Note Auction (bl) | 42 | | |
| **Wednesday, Dec 28** | | | | |
| 7:00AM | w/e MBA Purchase Index | | | 182.5 |
| 7:00AM | w/e MBA Refi Index | | | 371.4 |
| 10:00AM | Nov Pending Sales Index | 73.9 | | 77.1 |
| 10:00AM | Nov Pending Home Sales (%) | -4.0 | -0.8 | -4.6 |
| 1:00PM | 5-Yr Note Auction (bl) | 43 | | |
| **Thursday, Dec 29** | | | | |
| 8:30AM | w/e Jobless Claims (k) | 225 | 225 | 216 |
| 1:00PM | 7-Yr Note Auction (bl) | 35 | | |
| **Friday, Dec 30** | | | | |
| 9:45AM | Dec Chicago PMI | 44.9 | 40.0 | 37.2 |
| **Wednesday, Jan 18** | | | | |
| 1:00PM | 20-Yr Bond Auction (bl) | 12 | | |

© 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/potomacmortgageadvisors