

Rich E. Blanchard
Managing Director, RICH Home Loans LLC
NMLS: 492461
1550 Wewatta St., 2nd Floor Denver, CO 80202

Office: 720.619.9900
Mobile: 303.328.7047
richblanchard@richhomeloans.com
View My Website

The Day Ahead: Brave New World, Part 2: Brexit Milestone

For a variety of reasons and for more than a year, the MBS Live community and I have periodically revisited the general topic of a "brave new world." This is a world where the biggest global economies get caught up in a **"race to zero"** interest rates and a race to devalue their respective currencies ("competitive devaluation") in order to control the inevitable descent that results from lower birth rates and lower productivity. Even the central bankers cutting rates and injecting stimulus failed to appreciate the productivity/population issues, and the fact that they served as writing on the wall for a new era of permanently low rates--at least at first.

That thesis was borderline quack-ish at the time. As such, the Fed's first foray into the topic was left to the guy that tends to handle the introduction of quack-ish concepts. St. Louis Fed President Bullard says **some crazy things** from time to time, and he seems to contradict himself to some extent, but last year, he put plainly what the Fed was finally beginning to discuss. I covered all of it in detail and dubbed it the Brave New World.

To be clear, the "brave new world" theme includes the following:

- aging populations + lower productivity + lower birth rates = not much growth or inflation
- not much growth or inflation = not much upward pressure on rates
- concern about all of the above leading central banks to "stimulate" in order to get things back to some imaginary ideal of growth and inflation that no longer exists
- that stimulus creating more incentive for governments to issue more debt that will be more manageable if sovereign interest rates are held lower for longer
- that stimulus creating an environment that favors the wealthy, thus widening the wealth gap, which further damages the broader economy's ability to generate growth and inflation
- all of the above perpetuating itself in a cycle that eventually brings sovereign rates close to or under zero percent (which has obviously already been widely seen... There are more than a trillion dollars of debt carrying negative interest rates out there)
- The Fed increasingly coming to terms with all of the above, as evidenced by Yellen's press conference 2 weeks ago (where she said "there's a sense that maybe that more of what is causing this rate to be low are factors that won't be rapidly disappearing but are part of the

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.43	-0.62
10 YR Treasury	4.9860	+0.0952
30 YR Treasury	5.3557	+0.0737

Pricing as of: 11/10 5:59PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30YR Fixed	7.30%	+0.12	0.00
15YR Fixed	6.92%	+0.09	0.00
30YR FHA	6.89%	+0.07	0.00
30YR Jumbo	7.40%	+0.03	0.00
7/6 SOFR	6.80%	+0.31	0.00
30YR VA	6.90%	+0.07	0.00

Rates as of: 11/10

© 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/richhomeloans

'new normal.'"

The bottom line here is that the decades-long trend toward lower rates stands a very good chance to be the inevitable, asymptotic approach to zero that the above factors suggest. At the very least, if we're NOT asymptotically approaching zero rates in the long run, we can't currently see what the factors would be that will prevent that. Now that we have the Fed Chair dancing around the same concept, it's essentially confirmed.

Brexit is simply another manifestation of the brave new world--a **symptom of a broader disease** where the disenfranchised masses are increasingly discontent with those in power. If it wasn't Brexit, it would be something else. But for now, we have Brexit standing as yet another milestone in the "brave new world" thesis. Investors must now begin to wonder if more EU disintegration is in store in the future.

A lot of that will depend on how things go for the U.K. and the global economy over the next few years. Given the maturity of the economic cycle and the other often-cited reasons for general economic gloom (income inequality, low productivity, lack of wage growth, robots stealing jobs), the rest of the EU may not see a strong case for **following in the U.K.'s footsteps** any time soon. On the other hand, they may simply get "fed-up" and push for change simply as a vote against the status quo.

Whatever the case, keep in mind that rates **won't ever** move down in a linear fashion, even if they do indeed continue this asymptotic approach to zero. There will be corrections along the way and such corrections often follow the sort of incredibly strong bull-runs seen after events like Brexit.

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

Expert Advice | Exceptional Service | Flawless Execution

With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

Rich E. Blanchard 

© 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/richhomeloans