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Why Rates Almost hit 7.5% This Week, And Is The Worst Over?

At 9:44am ET on Wednesday, this week's rate story was mostly about waiting for next week's economic data. At 9:45, an unlikely report made the wait a lot more uncomfortable.

The report was S&P Global's preliminary Purchasing Managers' Indexes, or PMIs. They measure business activity in manufacturing and services, and they almost never have a major impact on rates. This time, both readings blew past expectations by the widest margins in years and reached their highest levels in years. Companies also reported input costs rising at the fastest pace in nearly 4 years, with selling prices and Employment picking up as well.



Data compiled Septemebr 23, 2026.
PMI (Purchasing Managers' Index) 50 = no change on prior month.
Source: S&P Global PMI.
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National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.33%	-0.12	0.00
15YR Fixed	6.89%	-0.10	0.00
30YR FHA	6.95%	-0.10	0.00
30YR Jumbo	7.44%	-0.06	0.00
7/6 SOFR	6.81%	-0.19	0.00
30YR VA	6.97%	-0.10	0.00

Rates as of: 11/20

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.51	+0.41
10 YR Treasury	4.9403	-0.1033
30 YR Treasury	5.3324	-0.0738

Pricing as of: 11/20 5:59PM EST

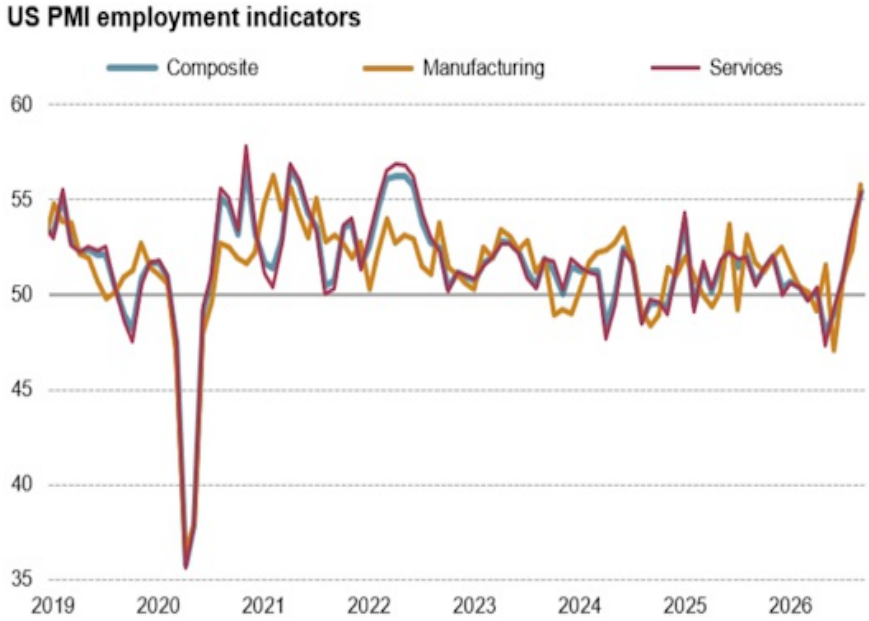
Recent Housing Data

		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%

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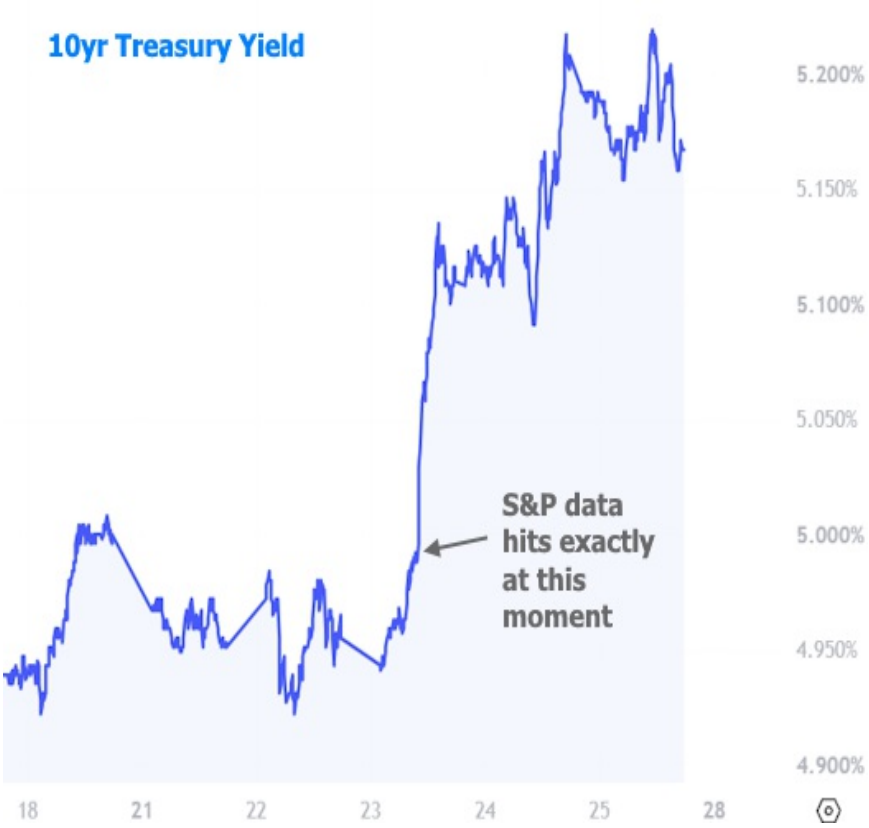
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Bond traders began selling as soon as the numbers came out. The 10yr Treasury yield jumped through 5%, and the selling continued well beyond that first reaction. This was the week's only economic report with any plausible connection to next week's much more consequential ISM surveys, job openings report and monthly jobs report.



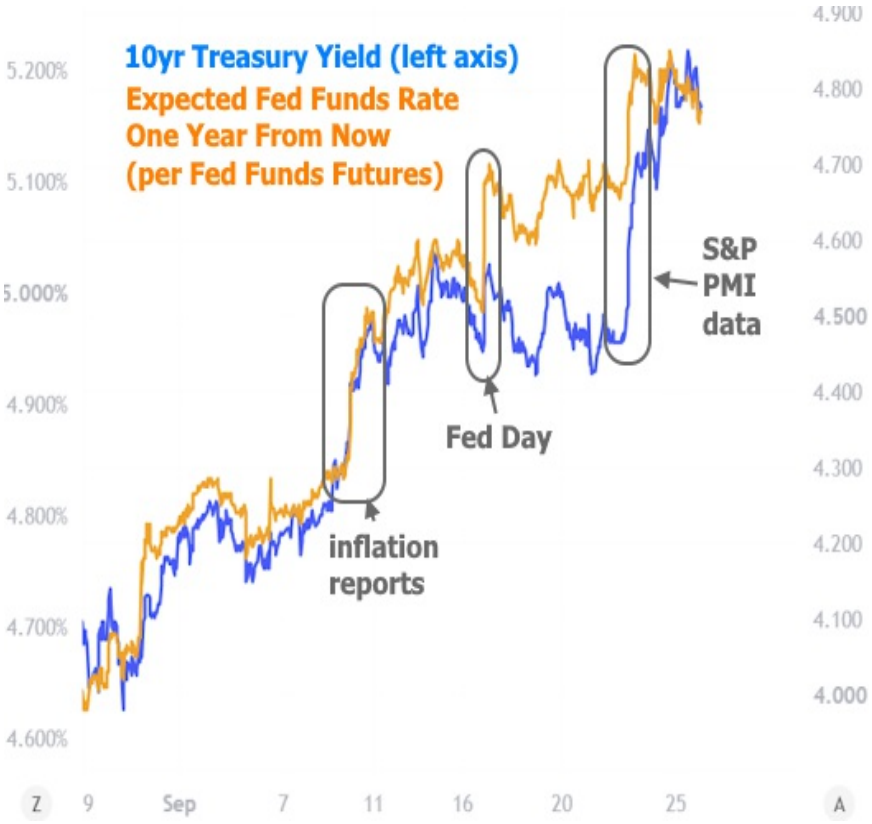
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So why did the market suddenly care about a report it usually shrugs off? In short, last week's Fed meeting had traders on the edge of their seats. After Fed Chair Kevin Warsh's press conference suggested more hikes were coming, traders began worrying that the market was behind the curve in terms of pricing in the potential policy path. Since then, several Fed officials have suggested that the recently updated rate outlook could prove too low if the economy keeps strengthening or inflation turns out to be driven more by demand. Wednesday's PMI pushed on both of those nerves at once because it raised the risk that next week's econ data (the reports that REALLY matter) could be similarly strong.

What followed was what we refer to as a **repricing of the rate outlook**: a sudden, widespread rethink of how many Fed hikes might be needed and how soon, marked by sharply higher bond yields and mortgage rates. It's essentially a Pandora's Box of upward pressure on rates with self-sustaining momentum that can last several days without any new justification.



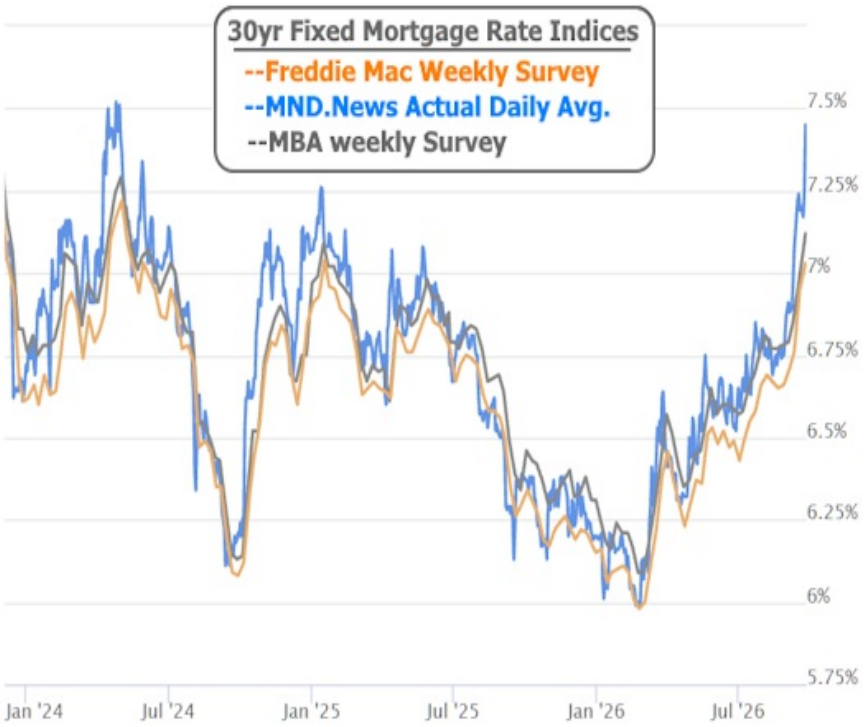
In the current case, the repricing phenomenon played out on Wednesday and Thursday. Friday brought a semblance of bond market recovery, but it required a fairly sharp drop in oil prices. Mortgage rates were initially reluctant to take the bond market's cues and they actually started the day even higher. Thankfully, by the end of the day, a series of updates from mortgage lenders (which came out much later than normal) brought the average just under Thursday's latest levels.

While that's a victory for Friday afternoon, rates still ended the week up roughly a quarter point versus last week.

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Next week will help determine whether this week's scramble was a false alarm or an early warning. Oil and war headlines still matter, but the market's most pressing question is whether economic data makes the case that the Fed's latest rate forecast is already out of date.

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Recent Economic Data

Date	Event	Actual	Forecast	Prior
Wednesday, Sep 23				
7:00AM	Sep/18 MBA Purchase Index	154.9		156.2
7:00AM	Sep/18 MBA Refi Index	611.0		627.1
9:45AM	Sep S&P Global Composite PMI	58.4		56
9:45AM	Sep S&P Global Manuf. PMI	57	53.6	53.9
9:45AM	Sep S&P Global Services PMI	58.7	56	56.5
Thursday, Sep 24				
8:30AM	Sep/19 Jobless Claims (k)	197K	201K	196K
10:00AM	Aug New Home Sales (ml)	0.684M	0.62M	0.607M
Friday, Sep 25				
8:30AM	Aug Durable goods (%)	0%	-0.4%	1.1%
8:30AM	Aug Core CapEx (%)	1.6%	0.5%	0.2%
Tuesday, Sep 29				
9:00AM	Jul FHFA Home Prices y/y (%)	2.6%		2.3%
9:00AM	Jul Case Shiller Home Prices-20 y/y (%)	2.5%	2.2%	2.1%

Event Importance:

No Stars = Insignificant
☆ Low
★ Moderate
★★ Important
★★ Very Important

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Date	Event	Actual	Forecast	Prior
10:00AM	Aug USA JOLTS Job Openings (ml)	7.079M	7.23M	7.271M
10:00AM	Sep CB Consumer Confidence (%)	81.9	89.2	89.4
Wednesday, Sep 30				
8:15AM	Sep ADP jobs (k)	90K	70K	38K
8:30AM	Aug PCE prices (m/m) (%)	0.3%	0.4%	0.2%
8:30AM	Q2 GDP (%)	2.2%	1.5%	2.5%
8:30AM	Aug Core PCE (y/y) (%)	3%	3.3%	3.3%
9:45AM	Sep Chicago PMI	58.8	51.2	47.1
Thursday, Oct 01				
8:30AM	Sep/26 Jobless Claims (k)	197K	200K	197K
10:00AM	Sep ISM Manufacturing PMI	54.5	55	54.6
10:00AM	Aug Construction spending (%)	0.9%	0%	-0.5%
Friday, Oct 02				
8:30AM	Sep Non Farm Payrolls (k)	29K	90K	162K
8:30AM	Sep Unemployment rate mm (%)	4.2%	4.1%	4.1%

Get Approved to Move - Phone call Away

Available after hours and weekends

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