

Mark Yecies
Vice President Mortgage Lending, Guaranteed Rate Affinity
18958
16 Arcadian Ave, Unit C-6 Paramus, NJ 07652

Office: 973-713-7964
Mobile: 9737137964
mark.yecies@grarate.com
View My Website

# Fed Hikes. Rates Fall. Have We Hit a Ceiling?

As expected, the Fed **raised** rates this week. Mortgage rates and 10yr Treasury yields (which aren't directly tied to the Fed Funds Rate) actually moved **lower** for the rest of the week. How did that happen and what might it mean for the bigger picture?

Remember, the market is all about "pricing-in" whatever it thinks it knows about the future. If the Fed is 99% likely to hike rates, the market effects of a Fed rate hike are **already 99% in place** ahead of time. That's how things happened this week. As such, other parts of the Fed's announcement were able to have their own effects.

At every other meeting, the Fed releases updated forecasts on key economic metrics. Investors are always most interested in the updated **rate hike forecast**, frequently referred to as "the dots" (because it's presented on a dot plot).

If more of the dots are moving higher, it means the Fed sees rate hikes happening **sooner** or more often. The following chart combines the previous dot plot from March with this week's changes.

## National Average Mortgage Rates




| Mortgage News Daily | Rate | Change | Points |
|---|---|---|---|
| 30YR Fixed | 7.29% | +0.03 | 0.00 |
| 15YR Fixed | 6.93% | +0.11 | 0.00 |
| 30YR FHA | 6.97% | +0.02 | 0.00 |
| 30YR Jumbo | 7.40% | 0.00 | 0.00 |
| 7/6 SOFR | 6.68% | +0.08 | 0.00 |
| 30YR VA | 6.99% | +0.03 | 0.00 |

Rates as of: 11/27

## MBS and Treasury

| | Price / Yield | Change |
|---|---|---|
| MBS UMBS 6.0 | 99.65 | -0.24 |
| 10 YR Treasury | 4.9345 | +0.0755 |
| 30 YR Treasury | 5.3271 | +0.0792 |

Pricing as of: 11/27 5:59PM EST

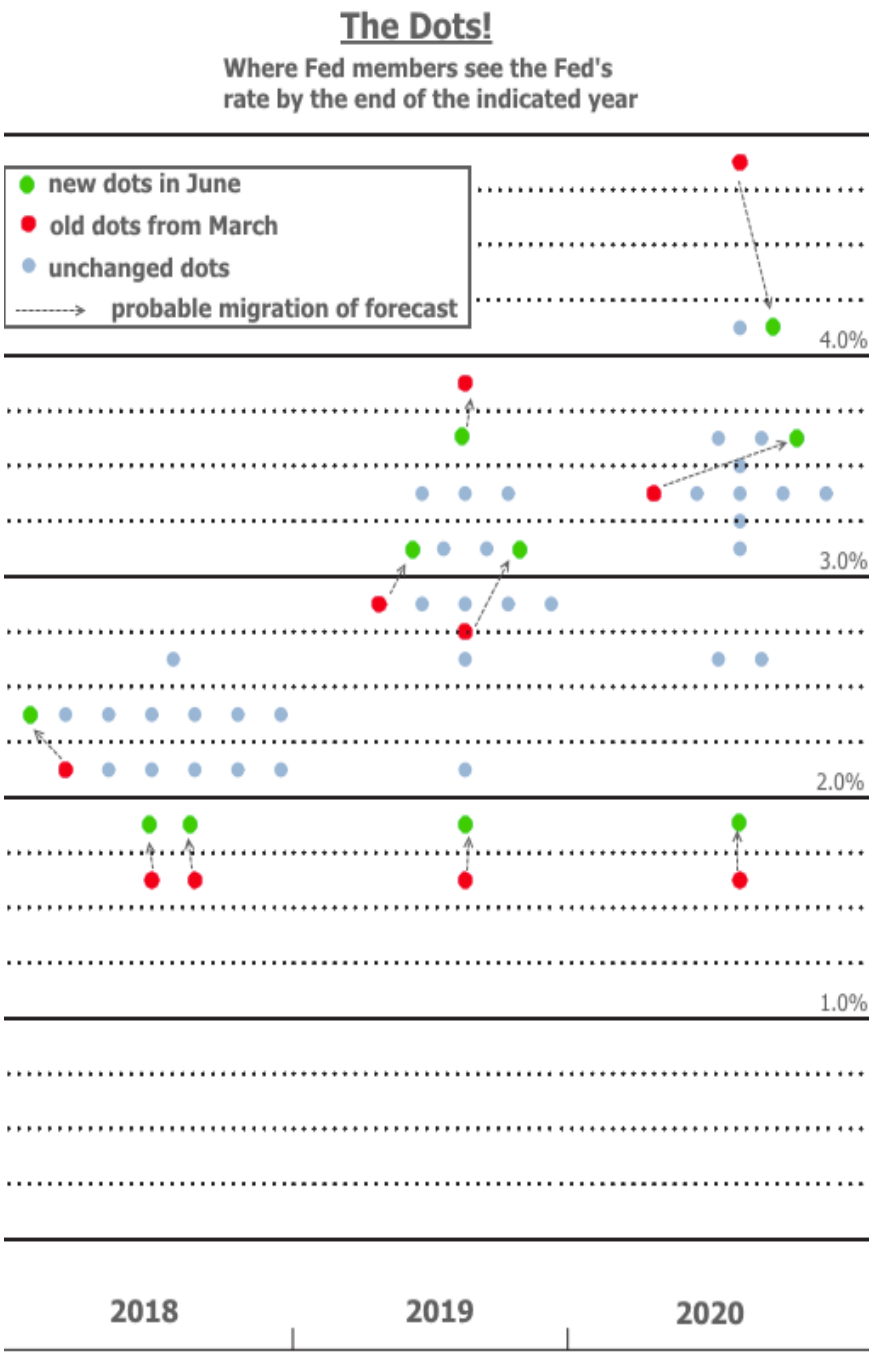
## Recent Housing Data

| | | Value | Change |
|---|---|---|---|
| Mortgage Apps | Nov 18 | 212 | +6.11% |
| Building Permits | Oct | 1.3M | -7.5% |
| Housing Starts | Oct | 1.31M | +7.21% |
| New Home Sales | Oct | 701K | +3.7% |
| 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/gra

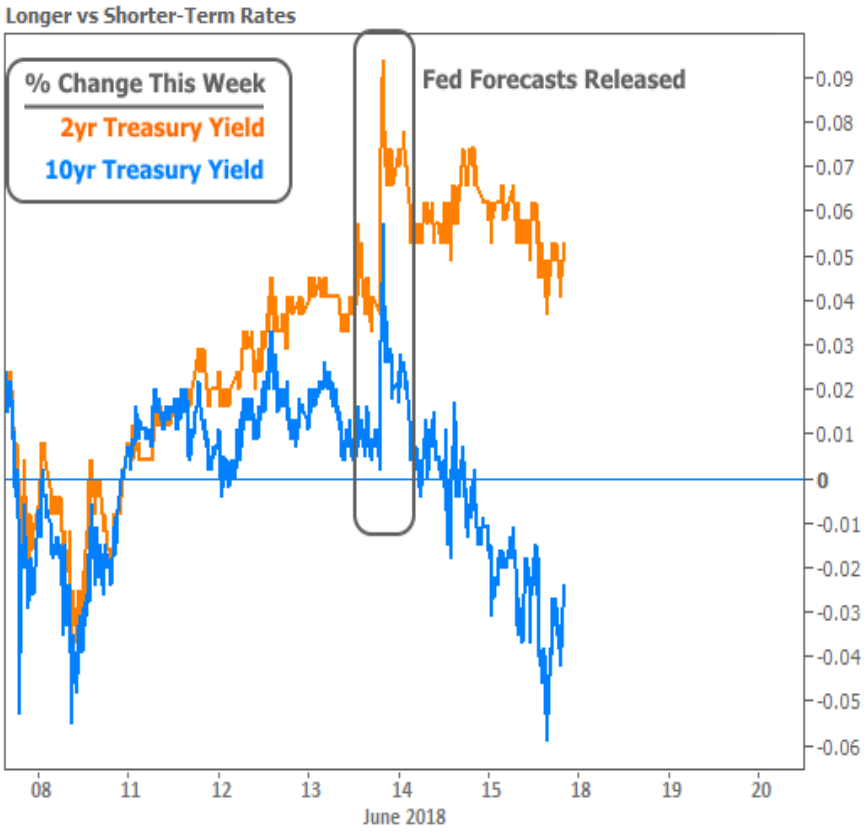



The chart tells us the Fed's rate hike outlook accelerated by just a bit. Markets reacted with an immediate move higher in rate. Keep in mind though, that because the Fed's rate dictates **overnight** rates, it has **less** of an impact on longer-term rates like 10yr Treasury yields and mortgage rates. In fact, as the next chart shows, longer-term rates actually managed to improve by the end of the week while shorter-term rates remained higher.

© 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/gra




The improvement in longer-term rates began with Fed Chair Powell saying that rates are getting closer to a "neutral" level. A few of his other comments were in the same vein, but all in all, his press conference was well-balanced. The correction in rates seen above has **more to do** with the fact that markets were positioned somewhat defensively heading into the this week's big ticket events.

Rounding out those events, and also helping to lower traders' defenses, was Thursday morning's policy announcement from the **European Central Bank (ECB)**. Just like Fed bond buying is/was a big deal for rates (remember the taper tantrum?) so too is the fate of the European bond buying program. We knew they would be discussing their own tapering decision soon, because the program expires in September.

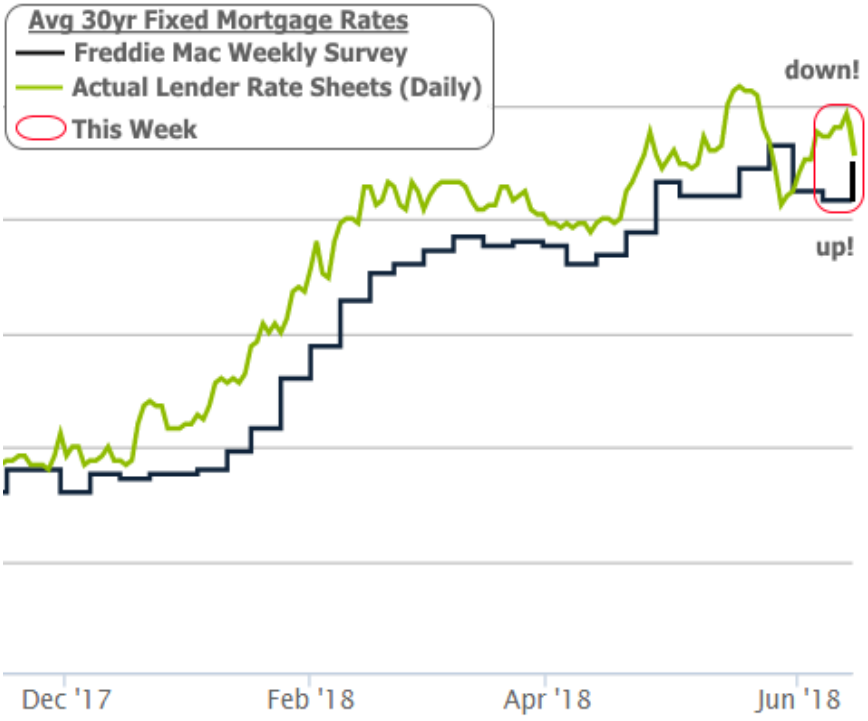
Rather than offer clues and make us wait several months, the ECB **surprised markets** by announcing their tapering plans in full. They offset the potential ill effects of that surprise by pledging to keep rates low through next summer--a bit longer than markets expected. This helped rates continue to improve through Friday morning.

Despite the obvious improvement in bond markets, many major media outlets published stories saying that rates **rose** this week. This discrepancy is common due to over-reliance on Freddie Mac's weekly rate survey, which only really captures rate movement from early in any given week. Because most of the improvement happened in the 2nd half of the week, much of the news is **at odds with reality**. The average lender made it back to last week's levels.

© 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/gra



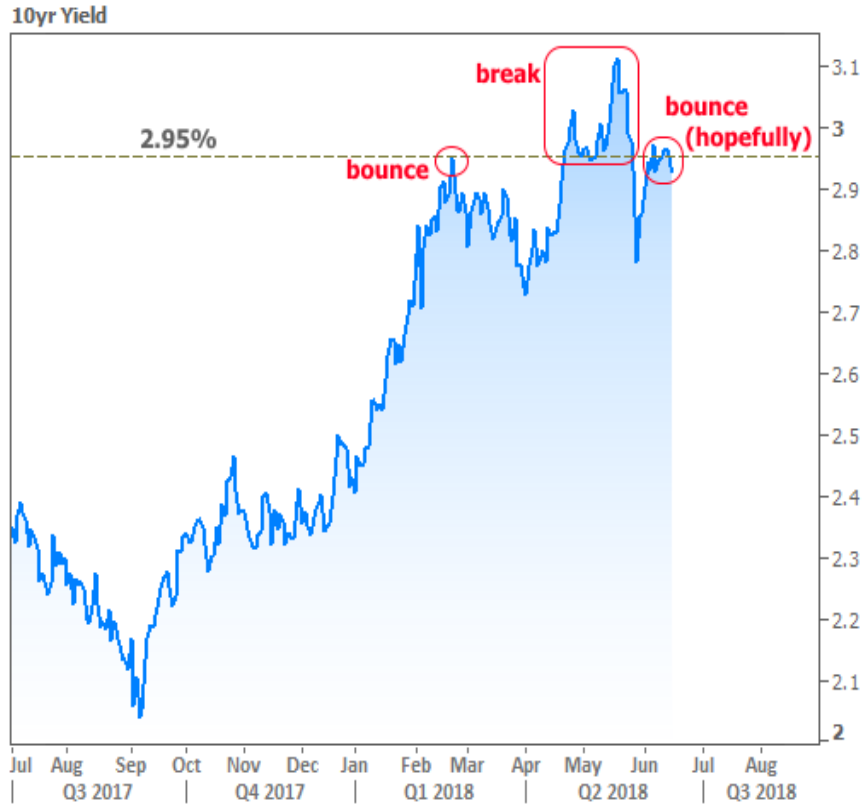

Making it through this week's big central bank announcements without rates rising means we have a **chance to see a ceiling** begin to take shape in the bigger picture. Even if the current potential ceiling doesn't end up looking like 2014's, optimists are hoping for at least some relief.

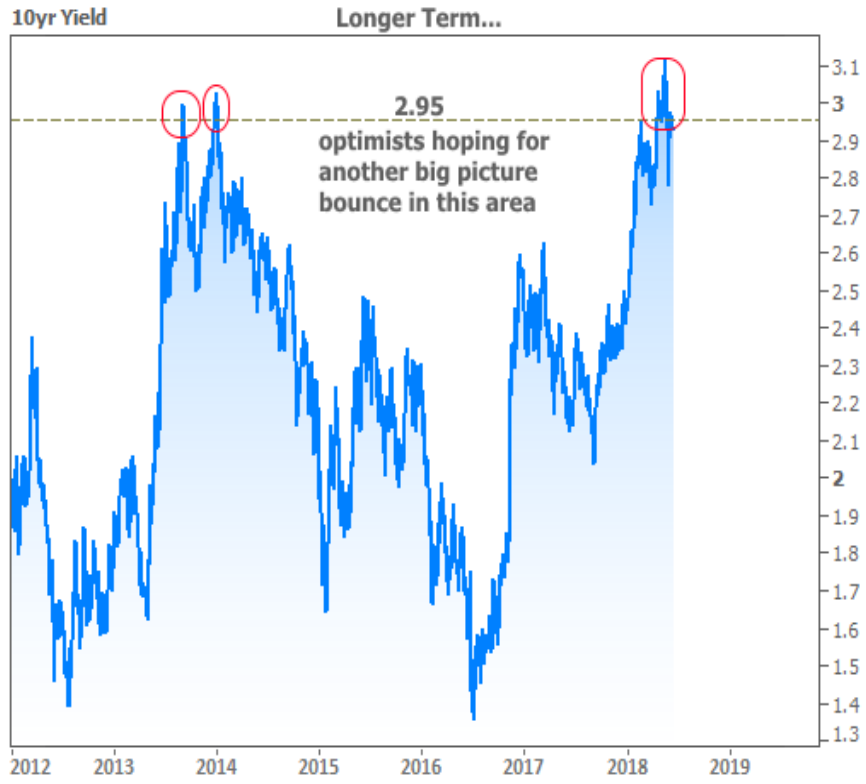
When it comes to keeping tabs on the battle for rate ceiling, **2.95% is a good level to watch** in 10yr Treasury yields. To whatever extent rates are moving higher from there, we're generally losing the battle for a bigger picture bounce. To whatever extent we're moving lower, hope remains.

© 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/gra




Next week's economic reports **aren't** big market movers, but many of them **are housing-related**. "Holding steady" is the name of the game as far as forecasters are concerned. Builder sentiment is expected to remain unchanged near recent highs on Monday. New Construction (Permits/Starts) is seen staying around an annual pace of 1.3 million on Tuesday. Then on Wednesday, the consensus is for a modest 1.5% improvement in Existing Home Sales after last month's 2.5% decline.

© 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/gra

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

## Recent Economic Data

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Monday, Jun 11** | | | | |
| 11:30AM | 3-Yr Note Auction (bl) | | 32 | |
| **Tuesday, Jun 12** | | | | |
| 8:30AM | May CPI mm, sa (%) | 0.2 | 0.2 | 0.2 |
| 8:30AM | May Core CPI Year/Year (%) | 2.2 | 2.2 | 2.1 |
| **Wednesday, Jun 13** | | | | |
| 7:00AM | w/e Mortgage Refinance Index | 992.2 | | 1007.3 |
| 7:00AM | w/e MBA Purchase Index | 249.0 | | 252.8 |
| 8:30AM | May Producer Prices (%) | 0.5 | 0.3 | 0.1 |
| 8:30AM | May Core Producer Prices YY (%) | 2.4 | 2.3 | 2.3 |
| 2:00PM | N/A FOMC rate decision (%) | 1.750 - 2.000 | 1.875 | 1.625 |
| 2:30PM | Fed Chair Powell Press Conference | | | |
| **Thursday, Jun 14** | | | | |
| 8:30AM | May Retail Sales (%) | 0.8 | 0.4 | 0.3 |
| 8:30AM | May Import prices mm (%) | 0.6 | 0.5 | 0.3 |
| 8:30AM | May Export prices mm (%) | 0.6 | 0.3 | 0.6 |
| 8:30AM | w/e Jobless Claims (k) | 218 | 223 | 222 |
| **Friday, Jun 15** | | | | |
| 8:30AM | Jun NY Fed Manufacturing | 25.00 | 19.00 | 20.10 |
| 9:15AM | May Industrial Production (%) | -0.1 | 0.2 | 0.7 |
| 9:15AM | May Capacity Utilization (%) | 77.9 | 78.1 | 78.0 |
| 10:00AM | Jun 1yr Inflation Outlook (%) | 2.9 | | 2.8 |
| 10:00AM | Jun 5yr Inflation Outlook (%) | 2.6 | | 2.5 |
| 10:00AM | Jun Consumer Sentiment | 99.3 | 98.5 | 98.0 |
| **Monday, Jun 18** | | | | |
| 10:00AM | Jun NAHB housing market indx | 68 | 70 | 70 |
| **Tuesday, Jun 19** | | | | |
| 8:30AM | May Build permits: change mm (%) | -4.6 | | -0.9 |
| 8:30AM | May House starts mm: change (%) | 5.0 | | -3.7 |
| **Wednesday, Jun 20** | | | | |
| 7:00AM | w/e MBA Purchase Index | 259.6 | | 249.0 |
| 7:00AM | w/e Mortgage Refinance Index | 1052.3 | | 992.2 |
| 10:00AM | May Existing home sales (ml) | 5.43 | 5.52 | 5.46 |
| 10:00AM | May Exist. home sales % chg (%) | -0.4 | 1.5 | -2.5 |

## 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/gra

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Thursday, Jun 21** | | | | |
| 8:30AM | Jun Philly Fed Business Index | 19.9 | 29.0 | 34.4 |
| 8:30AM | w/e Jobless Claims (k) | 218 | 220 | 218 |
| 9:00AM | Apr Monthly Home Price mm (%) | 0.1 | | 0.1 |
| 9:00AM | Apr Monthly Home Price yy (%) | 6.4 | | 6.7 |
| 10:00AM | May Leading index chg mm (%) | 0.2 | 0.4 | 0.4 |
| **Wednesday, Jul 11** | | | | |
| 1:00PM | 10-yr Note Auction (bl) | 22 | | |
| **Thursday, Jul 12** | | | | |
| 1:00PM | 30-Yr Bond Auction (bl) | 14 | | |

© 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/gra