



Tom Payne
Senior Loan Officer, Planet Home Lending
NMLS# 1017004 #17022 (Licensed in all 50 states)
2580 St Rose Parkway, Suite 230 Henderson, NV 89074

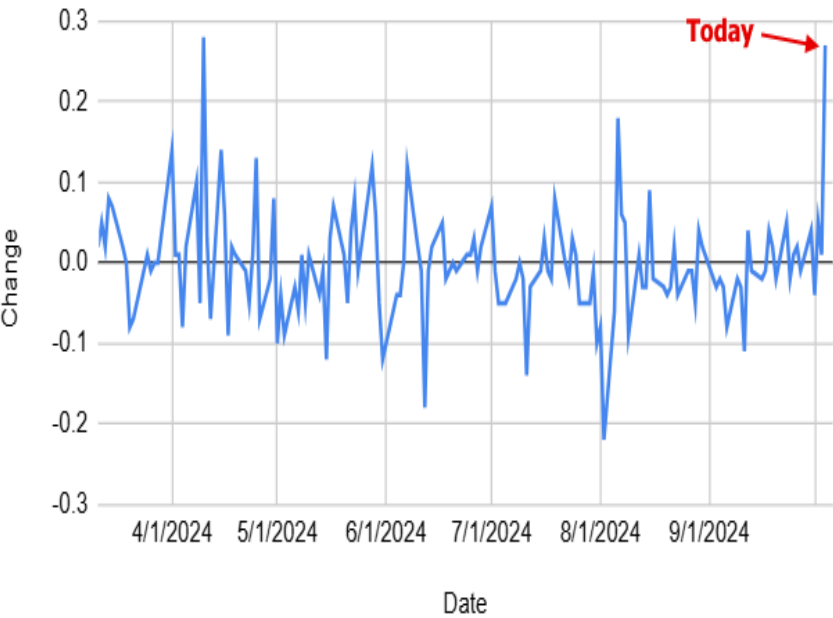
Mobile: 702-303-0243
tompaynemortgage@gmail.com
[View My Website](#)

Huge Rate Bounce After Stunningly Strong Jobs Report

There was a lot riding on Friday's big jobs report with a weak result likely to reinvigorate a move to long-term lows and a strong result likely to push rates higher. It ended up being VERY strong, thus pushing rates higher VERY quickly.

The following chart shows the day over day change in the 30yr fixed rate index from Mortgage News Daily:

day over day change in mortgage rates



The worst day in April was just a bit more abrupt, but it's fairly uncommon to see a jump of more than 0.2%. In outright terms, things look a bit better considering the ground covered since April.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30YR Fixed	7.35%	+0.02	0.00
15YR Fixed	7.00%	-0.01	0.00
30YR FHA	6.99%	+0.01	0.00
30YR Jumbo	7.60%	0.00	0.00
7/6 SOFR	6.86%	+0.01	0.00
30YR VA	7.00%	+0.01	0.00

Rates as of: 10/28

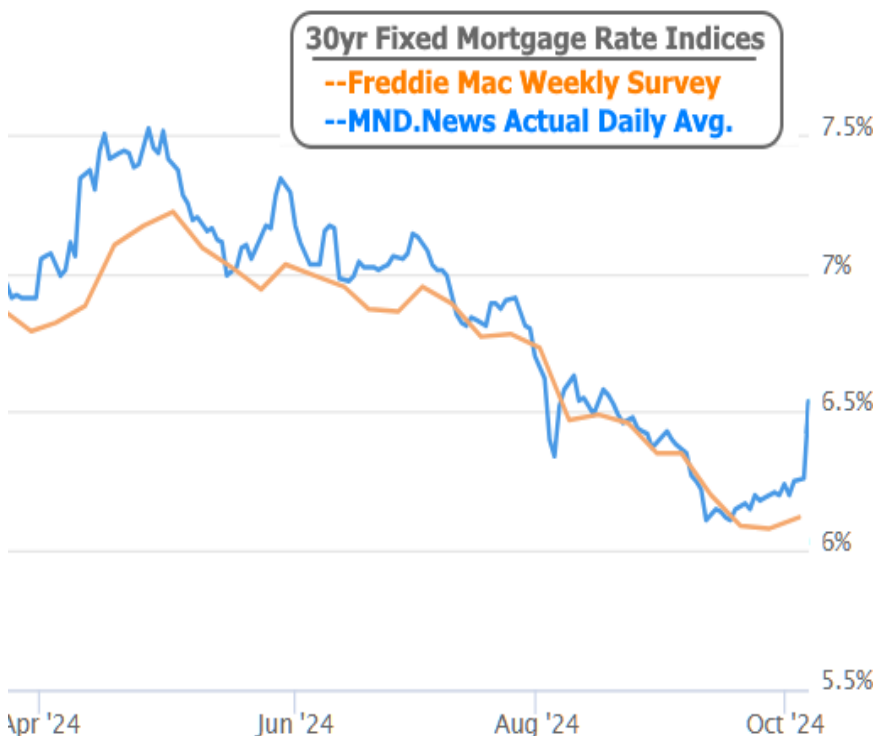
MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.67	+0.08
10 YR Treasury	4.9907	-0.0258
30 YR Treasury	5.3168	-0.0285

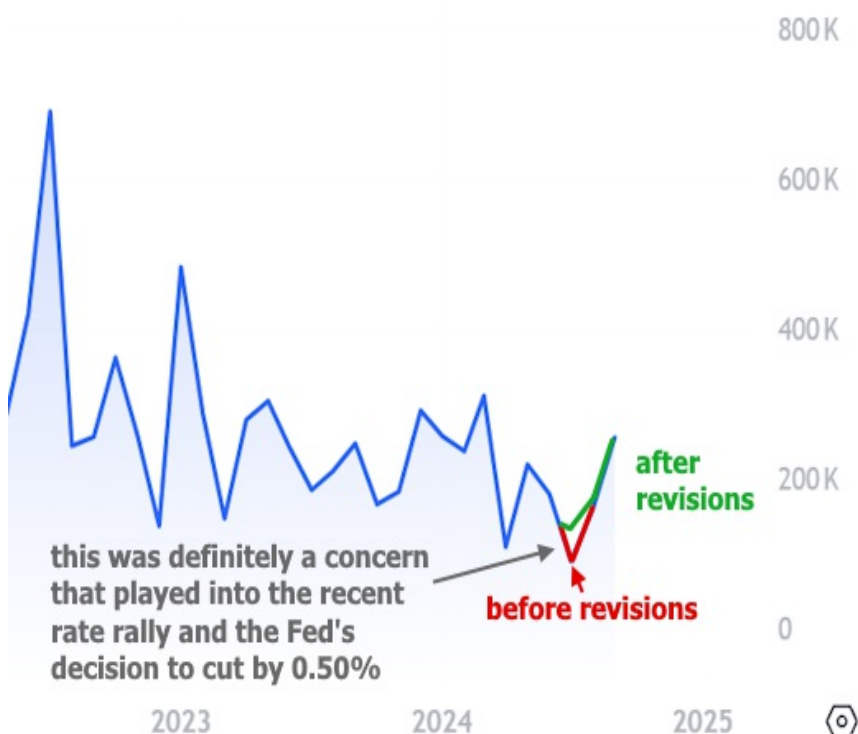
Pricing as of: 10/28 11:16PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 14	188.6	-5.32%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Aug	684K	+12.69%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%



The most important headline in the jobs report is nonfarm payrolls (NFP), which is a count of new jobs created in the most recent month (September, in this case). Not only did September's 254k payrolls crush forecasts calling for 140k, but the past 2 months were revised higher as well. This is important because recent payroll data factored into the Fed's decision to cut rates by 0.50% two weeks ago. Whereas the trend looked to be trailing off at weaker and weaker levels, it now looks a bit more resilient (mainly because the low point from 2 months ago is now higher than the low point from earlier in the year).



If the Fed had seen that "higher low" in NFP and if they'd known about today's 254k payroll count two weeks ago, would they have been as willing to cut rates by 0.50%? The market doesn't think so, and it quickly moved to adjust its expectations for where the Fed Funds Rate will end up this year.



Given all the upward momentum in rates seen over the past few weeks, as well as today's exclamation point, some market watchers are hoping that next week's inflation data can help put a ceiling over the current range. While we wouldn't rule out an impact from Thursday's Consumer Price Index, it's important to remember two things.

First, the market has largely moved on from obsessing over inflation in favor of obsessing over the labor market. We've seen smaller and smaller reactions to inflation-related data and it's basically being monitored only for signs of a bounce.

Second, inflation data can still hurt rates if it manages to show signs of a bounce. In that sense, it's an asymmetric risk where higher inflation would hurt rates more than lower inflation would help.

In addition to the data, next week brings a deluge of speeches from Fed officials to help the market make sense of how the jobs report may or may not change the calculus. If the past is any precedent, the Fed tends to remind markets not to get too wrapped up in a single economic report, but the counterpoint is that this particular single report brought fairly big revisions to the last few reports as well.

Longer term, the path of rates will depend on the economy. Job data may be the most important, but the sum of other reports can create momentum in either direction. As we've advised in the weeks leading up to and away from the Fed's rate cut, there are several past examples of mortgage rates moving higher for a time after a Fed rate cut! There's no way to know if this will continue to be one of those examples--only that it has been for the past few weeks.

Subscribe to my newsletter online at: <http://housingnewsletters.com/thomaspayne>

Recent Economic Data

Event Importance:

Date	Event	Actual	Forecast	Prior
Monday, Sep 30				
9:45AM	Sep Chicago PMI	46.6	46.2	46.1
Tuesday, Oct 01				
10:00AM	Aug USA JOLTS Job Openings	8.04M	7.655M	7.673M
10:00AM	Aug JOLTs Job Quits	3.084M		3.277M
10:00AM	Sep ISM Manufacturing PMI	47.2	47.5	47.2
10:00AM	Aug Construction spending (%)	-0.1%	0.1%	-0.3%
Wednesday, Oct 02				
7:00AM	Sep/27 MBA Refi Index	1099.5		1132.9
7:00AM	Sep/27 MBA Purchase Index	149.3		148.2
8:15AM	Sep ADP jobs (k)	143K	120K	99K
Thursday, Oct 03				
8:30AM	Sep/28 Jobless Claims (k)	225K	220K	218K
9:45AM	Sep S&P Global Services PMI	55.2	55.4	55.7
10:00AM	Sep ISM N-Mfg PMI	54.9	51.7	51.5
Friday, Oct 04				
8:30AM	Sep Average earnings mm (%)	0.4%	0.3%	0.4%
8:30AM	Sep Non Farm Payrolls	254K	140K	142K
8:30AM	Sep Unemployment rate mm (%)	4.1%	4.2%	4.2%
Wednesday, Oct 09				
2:00PM	FOMC Minutes			
Thursday, Oct 10				
8:30AM	Sep m/m CORE CPI (%)	0.3%	0.2%	0.3%
8:30AM	Oct/05 Jobless Claims (k)	258K	230K	225K
Friday, Oct 11				
8:30AM	Sep Core Producer Prices MM (%)	0.2%	0.2%	0.3%
10:00AM	Oct Consumer Sentiment (ip)	68.9	70.8	70.1

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

A Lower Price or a Lower Rate? Don't Guess. Compare: 10-22-2026

What Every Agent Should Know:---

With mortgage rates challenging affordability and buyers hesitant to make decisions, sellers are increasingly willing to negotiate. But here's a question every REALTOR® should consider:---

Is your buyer better off negotiating a lower purchase price—or asking the seller to contribute toward a permanently lower interest rate?---

A price reduction lowers the mortgage balance, but the resulting monthly payment savings may be surprisingly small.---

Alternatively, a seller contribution toward a permanent interest-rate buydown could provide substantially greater monthly payment relief, even with a higher purchase price.---

But what if mortgage rates decline in the next 6, 12, or 24 months?---

That's the question nobody can answer with certainty.---

A buyer who negotiates a larger price reduction may benefit from a lower loan balance and potentially refinance if rates decline. A buyer who secures a permanently lower rate benefits immediately, without depending on future market conditions.---

Both strategies have merit. The right answer depends on the numbers, the buyer's financial priorities, and how long they expect to keep the mortgage.---

For listing agents, this creates another negotiating opportunity. A seller contribution toward financing costs may be more attractive to a payment-conscious buyer than another reduction in asking price.---

Before your buyer requests a price reduction—or your seller agrees to one—give me a call.---

Let's compare the alternatives. Sometimes the smartest negotiation isn't about the price. It's about how the transaction is structured.---

EQUAL HOUSING LENDER---

<https://apply.planethomelending.com/#/loan-officers/tpayne%40planethomelending>

Tom Payne

