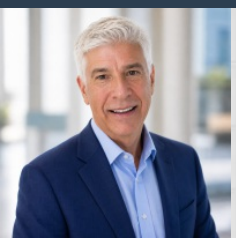

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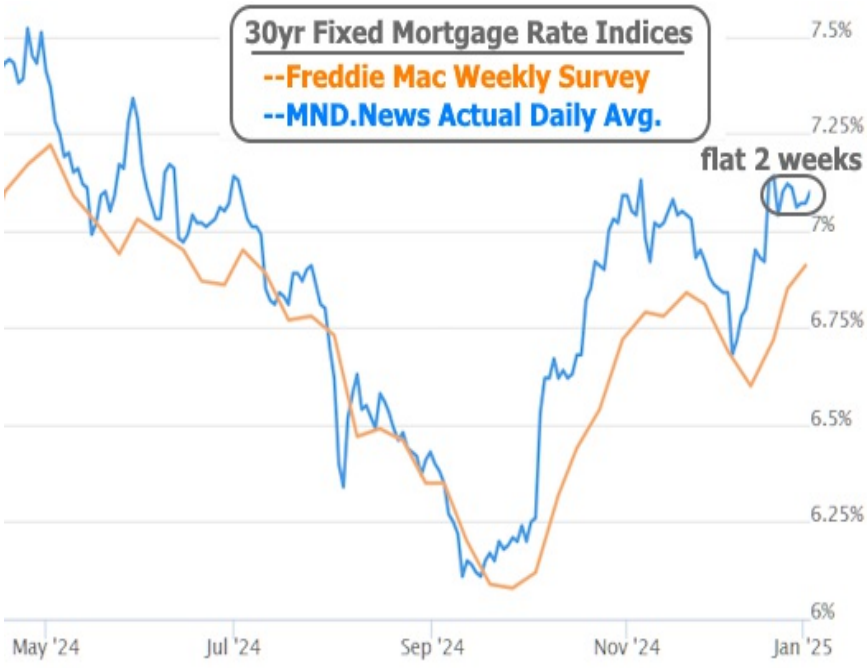
Mortgage Rates' Holiday Break Ends With Next Week's Economic Data

Even as most of the world has spent the past two days thinking or saying "I can't believe it's 2025 already," mortgage rates won't get back from vacation until next week. They managed to make it through the entire holiday season without any major drama. That was in sharp contrast to the preceding month which saw a decent drop heading into early December and a sharp spike that accelerated after the Fed's rate cut on the 18th.



This sort of indecision isn't necessarily a given for the end of December, but it's certainly the baseline. Absences among market participants and disruptions in the economic calendar make it easier for everyone to plan on simply jumping back in with both feet on the first full week of January.

In simple terms, this means that the odds of volatility (for better or worse) are higher next week. In thinking about the chart above, the biggest movement surrounded the release of the monthly jobs report at the beginning of each of the past 4 months. The next installment is out next Friday, January 10th.

Even before then, the combination of increased trader participation and several other highly regarded economic reports could get things moving in one direction or the other earlier in the week. On the other side of the jobs

National Average Mortgage Rates

Mortgage News Daily	Rate	Change	Points
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%

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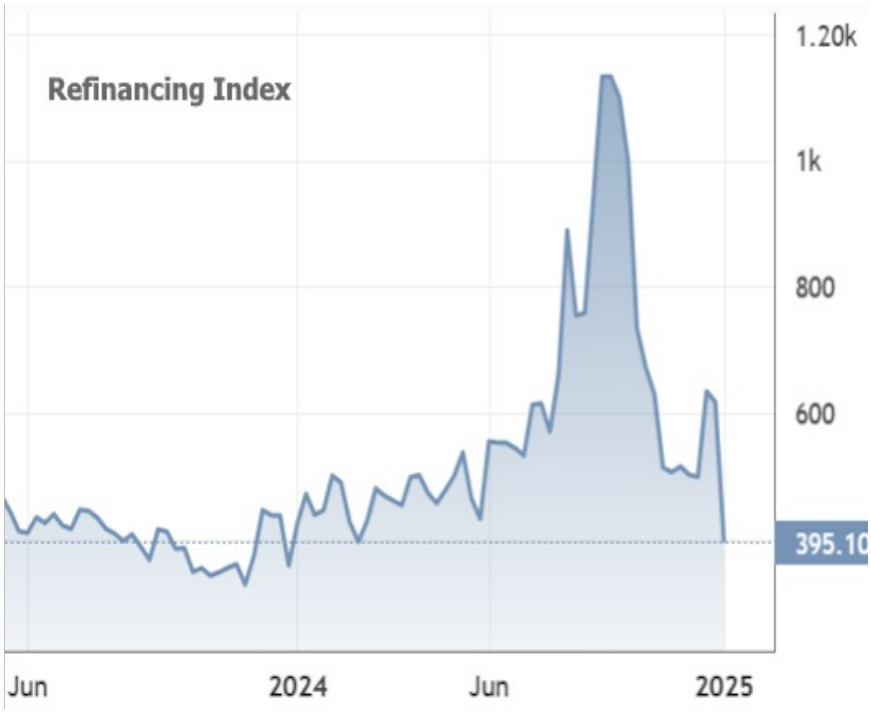
report, the following week brings equally important inflation data in the form of the Consumer Price Index (CPI).

When it comes to "movement," whether in rates or housing metrics, we remain in a sort of limbo discussed in last week's newsletter. Importantly, it will take more than the first two weeks of January for any truly significant momentum to develop.

A quick recap of this week's housing-related reports

After holding ground at slightly higher levels in the most recent report, the Mortgage Bankers Association's refinance index fell back in line with long-term lows. This was to be expected given the pause in reporting last week for the holiday combined with the sharply higher rates in place during the previous survey window.



While the chart above may look dramatic in terms of volatility, it's actually only a small portion of the longer term range.

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The purchase application index hasn't seen nearly as much volatility recently, but is also drifting sideways at longer term lows.

Earlier in the week, the FHFA and Case Shiller updated their home price indices (HPIs) for October. Long story short, year-over-year home price appreciation remains in the prevailing 4-7% range (specifically, 4.5% for FHFA and 4.2% for Case Shiller) seen for most of the past decade.

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Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, Dec 30				
9:45AM	Dec Chicago PMI	36.9	42.5	40.2
10:00AM	Nov Pending Home Sales (%)	2.2%	0.7%	2%
Tuesday, Dec 31				
9:00AM	Oct CaseShiller 20 mm nsa (%)	-0.2%		-0.3%
9:00AM	Oct Case Shiller Home Prices-20 y/y (%)	4.2%	4.1%	4.6%
9:00AM	Oct FHFA Home Price Index m/m (%)	0.4%	0.5%	0.7%
9:00AM	Oct FHFA Home Prices y/y (%)	4.5%		4.4%
Thursday, Jan 02				
7:00AM	Dec/27 MBA Purchase Index	136.7		157.1
7:00AM	Dec/27 MBA Refi Index	395.1		617.5
8:30AM	Dec/28 Jobless Claims (k)	211K	222K	219K
10:00AM	Nov Construction spending (%)	0%	0.3%	0.4%
Friday, Jan 03				
10:00AM	Dec ISM Manufacturing PMI	49.3	48.4	48.4
Monday, Jan 06				
9:45AM	Dec S&P Global Services PMI	56.8	58.5	56.1

Event Importance:

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

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Date	Event	Actual	Forecast	Prior
Tuesday, Jan 07				
10:00AM	Nov USA JOLTS Job Openings	8.098M	7.70M	7.744M
10:00AM	Dec ISM N-Mfg PMI	54.1	53.3	52.1
Wednesday, Jan 08				
8:15AM	Dec ADP jobs (k)	122K	140K	146K
8:30AM	Jan/04 Jobless Claims (k)	201K	218K	211K
2:00PM	FOMC Minutes			
Friday, Jan 10				
8:30AM	Dec Unemployment rate mm (%)	4.1%	4.2%	4.2%
8:30AM	Dec Non Farm Payrolls	256K	160K	227K

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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

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