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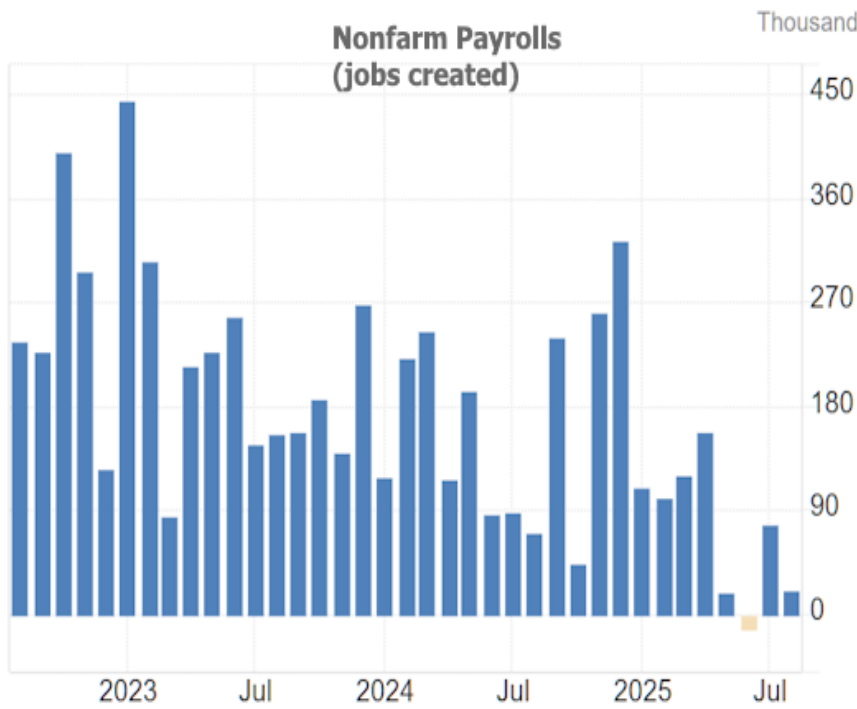
Job Count and Mortgage Rates Go Cliff-Diving

Rates actually began the week with a modest move higher for a variety of boring, technical reasons that no one will remember or care about after seeing how things ended up on Friday.

The move was already reversing on Wednesday with help from economic data (lower Job Openings in July, not to be confused with Friday's jobs report for August). At that point, rates had already officially hit new 11-month lows, even if just barely.

Thursday saw additional improvement despite mixed economic data. This had more to do with traders closing out trading positions ahead of Friday's big jobs report than anything.

Friday's jobs report was always going to be this week's main event, and it was much weaker than expected with only 22k new jobs added in August versus a median forecast of 75k. Revisions to the past 2 months were much smaller this time around, but were net-negative yet again.



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

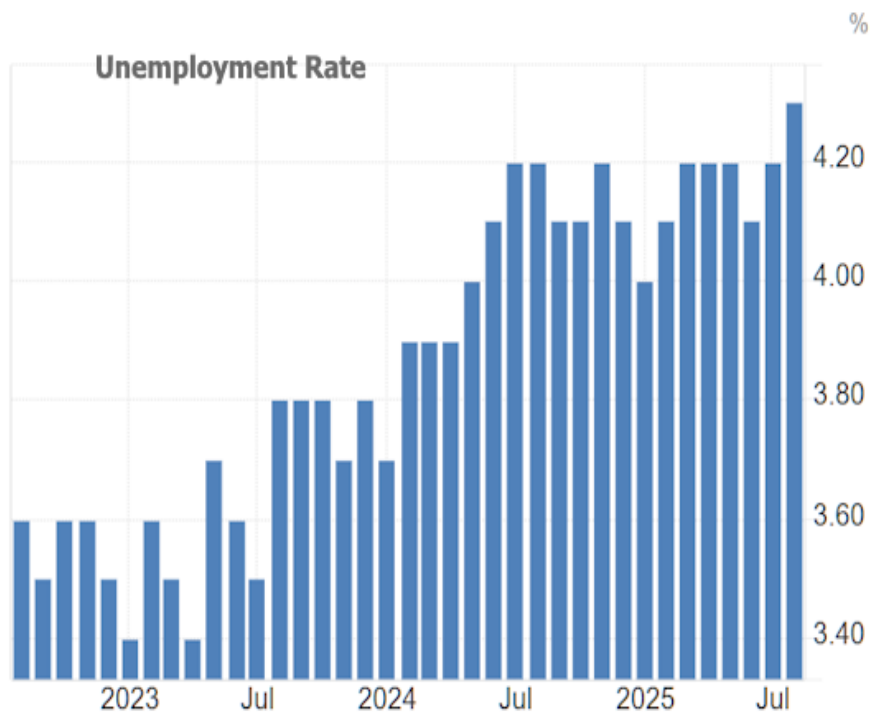
MBS and Treasury

	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%



All of the above paints a picture of a labor market that is measurably deteriorating. The labor market is one of two key considerations for the Fed. The weaker it is, the more inclined they are to cut the Fed Funds Rate. This chart shows the market's expectation for the Fed Funds rate at the end of 2025, based on Fed Funds Futures trading:

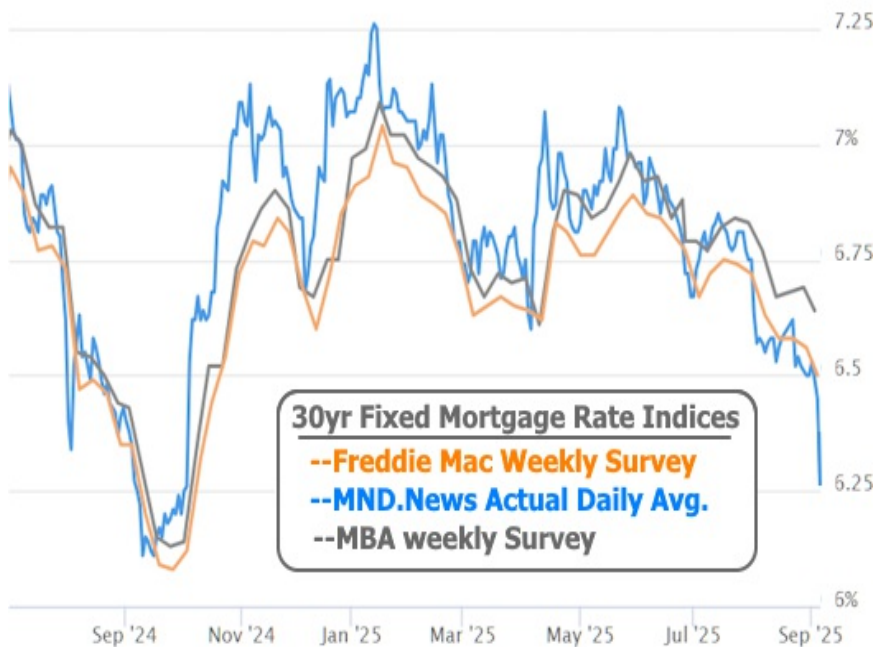


But forget the Fed. By the time they cut, the bond market will have long since responded to all of the data that made the case for the cut. Bonds (like Fed Funds Futures above) react to the data in real time.

In general, weaker jobs numbers prompt investors to buy bonds. When investors buy bonds, the price of those bonds goes up. When bond prices go up, rates go down. The 10yr Treasury yield is a popular way to visualize real-time reactions in longer-term rates.



The bonds that underlie mortgage rates had a similarly awesome Friday. The net effect was the biggest single day drop in 30yr fixed rates in more than a year, and an average top tier 30yr fixed rate that is back in the same range as the low rates in the Fall of 2024.



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Recent Economic Data

Date	Event	Actual	Forecast	Prior
Tuesday, Sep 02				
10:00AM	Aug ISM Manufacturing PMI	48.7	49	48.0
10:00AM	Jul Construction spending (%)	-0.1%	-0.1%	-0.4%
Wednesday, Sep 03				
7:00AM	Aug/29 MBA Refi Index	902.5		894.1
7:00AM	Aug/29 MBA Purchase Index	158.7		163.8
10:00AM	Jul USA JOLTS Job Openings (ml)	7.181M	7.4M	7.437M
10:00AM	Jul Factory orders mm (%)	-1.3%	-1.4%	-4.8%
Thursday, Sep 04				
8:15AM	Aug ADP jobs (k)	54K	65K	104K
8:30AM	Aug/30 Jobless Claims (k)	237K	230K	229K
10:00AM	Aug ISM N-Mfg PMI	52.0	51	50.1
Friday, Sep 05				
8:30AM	Aug Unemployment rate mm (%)	4.3%	4.3%	4.2%
8:30AM	Aug Non Farm Payrolls (k)	22K	75K	73K
Wednesday, Sep 10				
8:30AM	Aug Core Producer Prices YY (%)	2.8%	3.5%	3.7%
Thursday, Sep 11				
8:30AM	Aug y/y CORE CPI (%)	3.1%	3.1%	3.1%
Friday, Sep 12				
10:00AM	Sep Consumer Sentiment (ip)	55.4	58	58.2

Event Importance:

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---

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