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Big Improvements Don't Always Require Big News

We've had our fair share of big news events causing big reactions in markets over the past few months, but this week offered a welcome reminder that not every improvement in mortgage rates requires a dramatic headline. After moving back toward recent highs early in the week, rates recovered sharply on Wednesday and then managed to hold those gains through Friday, ending at the lowest levels since mid-May.

Some of the improvement was helped by lower oil prices and tame inflation data, but the biggest motivation came from quarter-end trading. Large institutional investors periodically adjust the balance between stocks and bonds in their portfolios. Because stocks have significantly outperformed bonds in recent months, many investors have been buying bonds to restore those targets. Higher demand for bonds translates into lower interest rates.

Unlike recent weeks, there wasn't a single dominant news story driving the market. Monday's weakness lacked a convincing explanation, Tuesday was one of the quietest trading days in months, and the strongest gains arrived Wednesday as quarter-end rebalancing demand became more apparent. Thursday was the only potential exception as bonds definitely seemed to benefit from an as-expected reading on a key inflation report, but most of the early improvement faded by the afternoon before giving way to an even more sideways day on Friday.

Sideways was good, in this case, as it meant the average top tier 30-year fixed mortgage rate spent both Thursday and Friday at its lowest level in more than a month. While that's certainly welcome news, it comes with a familiar caveat. There are a few more days left for quarter-end trading to potentially exaggerate market movement in either direction. Still, the bulk of that volatility has likely already been seen.

From there, investor attention quickly shifts back to economic data, which arrives in force next week. Due to the Independence Day holiday, the monthly jobs report will be released next Thursday instead of Friday. It is routinely the most important economic report of the month and has the potential to determine whether this week's improvement is extended or reversed.

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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	99.71	+0.11
10 YR Treasury	4.9824	-0.0341
30 YR Treasury	5.3087	-0.0366

Pricing as of: 10/28 10:08PM 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%

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Tuesday, Jun 23				
9:45AM	Jun S&P Global Services PMI	51.3	51	50.7
Wednesday, Jun 24				
7:00AM	Jun/19 MBA Refi Index	834.2		810.2
7:00AM	Jun/19 MBA Purchase Index	169.7		170.8
10:00AM	May New Home Sales (ml)	0.58M	0.64M	0.622M
Thursday, Jun 25				
8:30AM	Jun/20 Jobless Claims (k)	215K	225K	226K
8:30AM	May PCE (y/y) (%)	4.1%	4.1%	3.8%
8:30AM	May Core PCE (y/y) (%)	3.4%	3.4%	3.3%
8:30AM	May Durable goods (%)	-4.5%	-4.5%	7.9%
Friday, Jun 26				
10:00AM	Jun Consumer Sentiment (ip)	49.5	50	44.8
Tuesday, Jun 30				
9:00AM	Apr Case Shiller Home Prices-20 y/y (%)	1.1%	0.9%	0.8%
9:00AM	Apr FHFA Home Prices y/y (%)	2%		1.7%
9:45AM	Jun Chicago PMI	56.7	58.1	62.7
10:00AM	May USA JOLTS Job Openings (ml)	7.594M	7.30M	7.618M
10:00AM	Jun CB Consumer Confidence (%)	91.2	94.7	93.1
Wednesday, Jul 01				
8:15AM	Jun ADP jobs (k)	98K	113K	122K
9:00AM	Fed Chair Warsh Speech			
10:00AM	Jun ISM Manufacturing PMI	53.3	54	54.0
Thursday, Jul 02				
8:30AM	Jun/27 Jobless Claims (k)	215K	220K	215K
8:30AM	Jun Non Farm Payrolls (k)	57K	110K	172K
8:30AM	Jun Unemployment rate mm (%)	4.2%	4.3%	4.3%

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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