

Toby Gilchrist
Mortgage Broker, Montana Mortgage Partners - Powered by Edge
NMLS # 487285
322 2nd Ave W., Ste - A Kalispell, MT 59901

Office: 4064714978
Mobile: 4064714978
toby@mymontanamortgage.com
View My Website

Mortgage Rates Didn't Fall as Much as The Market Suggested

The good news: mortgage rates ended the week at the lowest levels in more than a month.

The puzzling news: rates fell only modestly on Friday even though the bond market said they could have fallen more.

Mortgage lenders consider several factors when deciding where to set mortgage rates. By far and away, the bond market is the most important of those factors. But sometimes rates don't do exactly what the bond market suggests. Friday was a classic example.

First off, let's validate our correlation claims by looking at the following chart. It shows MND's daily mortgage rate index on the left axis and the bond market on the right axis. Since "the bond market" is a fairly broad term, this chart uses the mortgage backed security (MBS) that lenders use to determine rates.

(Note: MBS trade in "price" and interest rates move in "yield." Since price varies inversely to yield, the right axis in the chart is inverted in order to highlight the correlation. Otherwise it would just look like a Rorschach test).

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.17%	0.00	0.00
15YR Fixed	6.83%	+0.03	0.00
30YR FHA	6.82%	+0.02	0.00
30YR Jumbo	7.38%	+0.01	0.00
7/6 SOFR	6.50%	-0.16	0.00
30YR VA	6.84%	+0.02	0.00

Rates as of: 11/6

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	100.31	-0.04
10 YR Treasury	4.8625	+0.0273
30 YR Treasury	5.2640	+0.0085

Pricing as of: 11/6 5:59PM EST

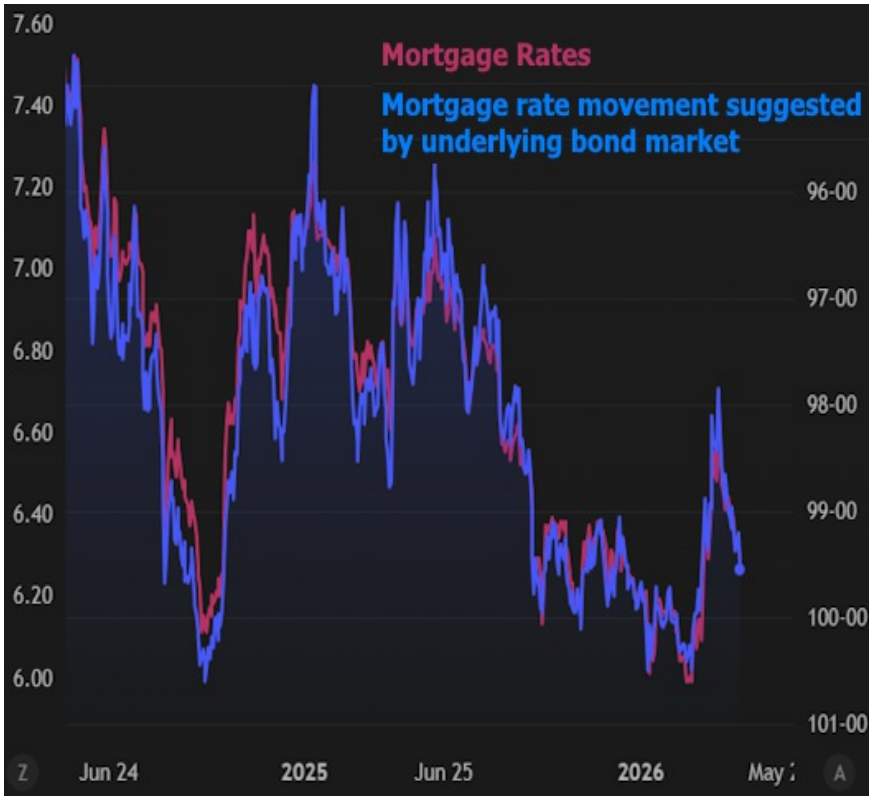
Recent Housing Data

		Value	Change
Mortgage Apps	Oct 28	192.6	-1.23%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

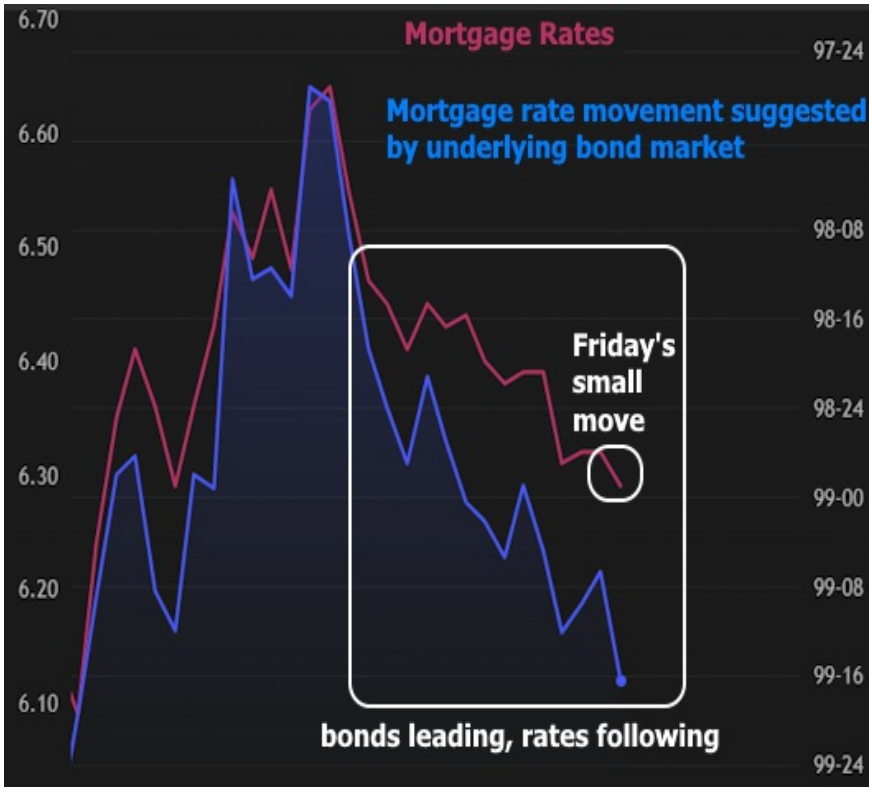
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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/toby-gilchrist



In other words, it's clear we're looking at the right part of the bond market. Now let's zoom in to a more granular view to see how we might account for Friday's fairly small drop in mortgage rates despite a larger movement in the bond market.



Simply put, the mortgage market almost never moves as quickly as the bond market suggests--especially on the way toward lower rates.

© 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/toby-gilchrist

Based on that chart, you may be wondering if rates will fall next week in order to catch up to that blue line. Unfortunately, mortgage rates almost never move lower if bonds say they should move higher. For example, if the blue line bounces next week, the red line would almost certainly bounce too, but maybe not as much.

Bottom line: next week's rate direction will still be determined by the direction of movement in the bond market. In turn, that will likely be determined by the disposition of the Iran war--which has been the dominant driver for the entire financial market in recent weeks. The more "over" the war is (and the more the Strait of Hormuz is "open"), the better the odds of lower rates. Conversely, if there are hiccups in the peace process, rates could still bounce higher.

Subscribe to my newsletter online at: http://housingnewsletters.com/toby-gilchrist

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, Apr 13				
10:00AM	Mar Existing home sales (ml)	3.98M	4.06M	4.09M
Tuesday, Apr 14				
8:30AM	Mar PPI y/y	4%	4.6%	3.4%
8:30AM	Mar Core PPI y/y (%)	3.8%	4.1%	3.9%
Wednesday, Apr 15				
7:00AM	Apr/10 MBA Purchase Index	159.5		161.1
7:00AM	Apr/10 MBA Refi Index	966.8		919.9
8:30AM	Apr NY Fed Manufacturing	11.00	-0.5	-0.20
8:30AM	Mar Import prices mm (%)	0.8%	2%	1.3%
10:00AM	Apr NAHB housing market indx	34	37	38
Thursday, Apr 16				
8:30AM	Apr/11 Jobless Claims (k)	207K	215K	218K
8:30AM	Apr Philly Fed Business Index	26.7	10	18.1
9:15AM	Mar Industrial Production (%)	-0.5%	0.1%	0.2%
Tuesday, Apr 21				
8:30AM	Mar Retail Sales (%)	1.7%	1.4%	0.6%
10:00AM	Mar Pending Home Sales (%)	1.5%	0.1%	1.8%
Thursday, Apr 23				
8:30AM	Apr/18 Jobless Claims (k)	214K	212K	207K
9:45AM	Apr S&P Global Services PMI	51.3	50	49.8
9:45AM	Apr S&P Global Manuf. PMI	54.0	52.5	52.3
Friday, Apr 24				
10:00AM	Apr Consumer Sentiment (ip)	49.8	47.6	53.3

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/toby-gilchrist

Introducing Montana Mortgage Partners!

I am excited to announce I have partnered with 3 industry experts, Annika Harris, Lindsay Kinniburgh, and Amanda Kneeland to open Montana Mortgage Partners! In my 18 years of being a local Real Estate Lender, Investor, and Developer I have experienced the full spectrum of changes in the lending industry and in our market. As the industry changes as must we to be confident we are able to offer the best products and service with the most competitive terms possible. A mortgage is an investment, and we have all the tools and more to assure your investment is the best fit for your long term financial goals. Feel free to reach out at any time to explore everything we have to offer or chat about how I may be able to add value to your business.

Cheers!

Toby Gilchrist
Montana Mortgage Partners
Mortgage Broker
NMLS#487285

Toby Gilchrist 

© 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/toby-gilchrist