

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

Oil and Rates Giving Their Relationship Another Shot

For 3 months, they were almost inseparable. Then in June, they went their separate ways. Now oil and rates are back together in July, for the most part.

Specifically, movement in oil prices was highly correlated with movement in rates (represented below by 10yr Treasury yields) after the onset of the Iran war. The reasoning was simple: higher fuel prices implied higher inflation, and higher inflation tends to result in higher rates.

The oil/rates correlation is never perfect, but it generally remained strong until ceasefire confirmation in early June. At that point, oil went south while bonds decided to stick around for a while for their own reasons (and also because gas/diesel prices haven't fallen nearly as fast as oil prices).

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

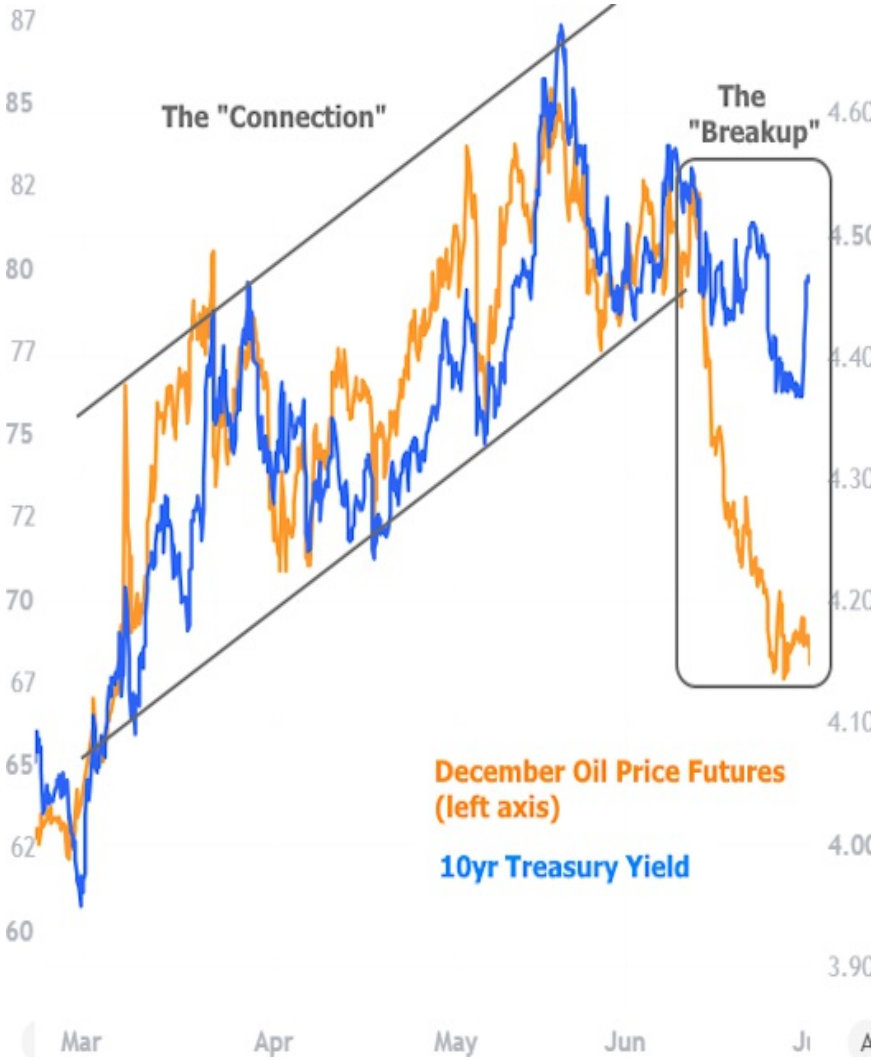
Recent Housing Data

		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

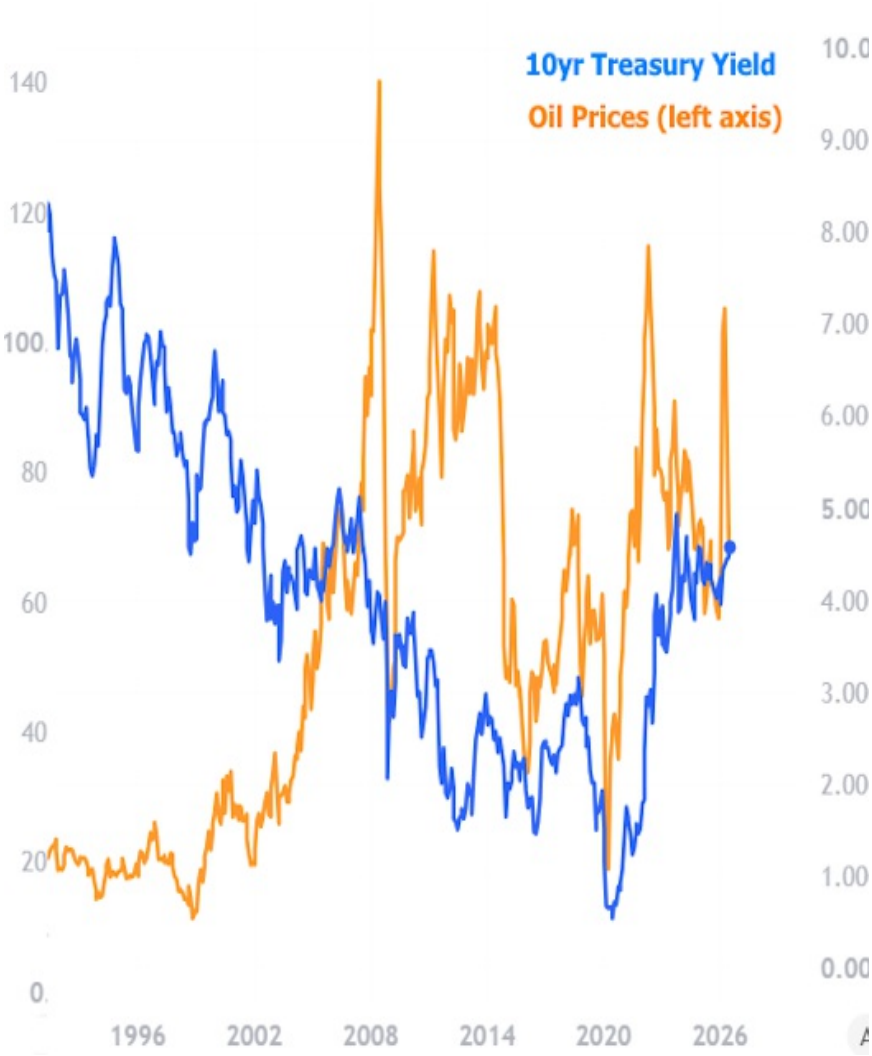


Before continuing, let's be clear on the oil/rate relationship in the bigger picture. Because fuel is so central to inflation and because inflation is so central to rates, it's tempting to conclude that oil and rates should **always** be correlating to some extent. In practice, bonds have a lot of other things on their mind besides inflation. This results in noticeable departures from the correlated trend over the years.

© 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



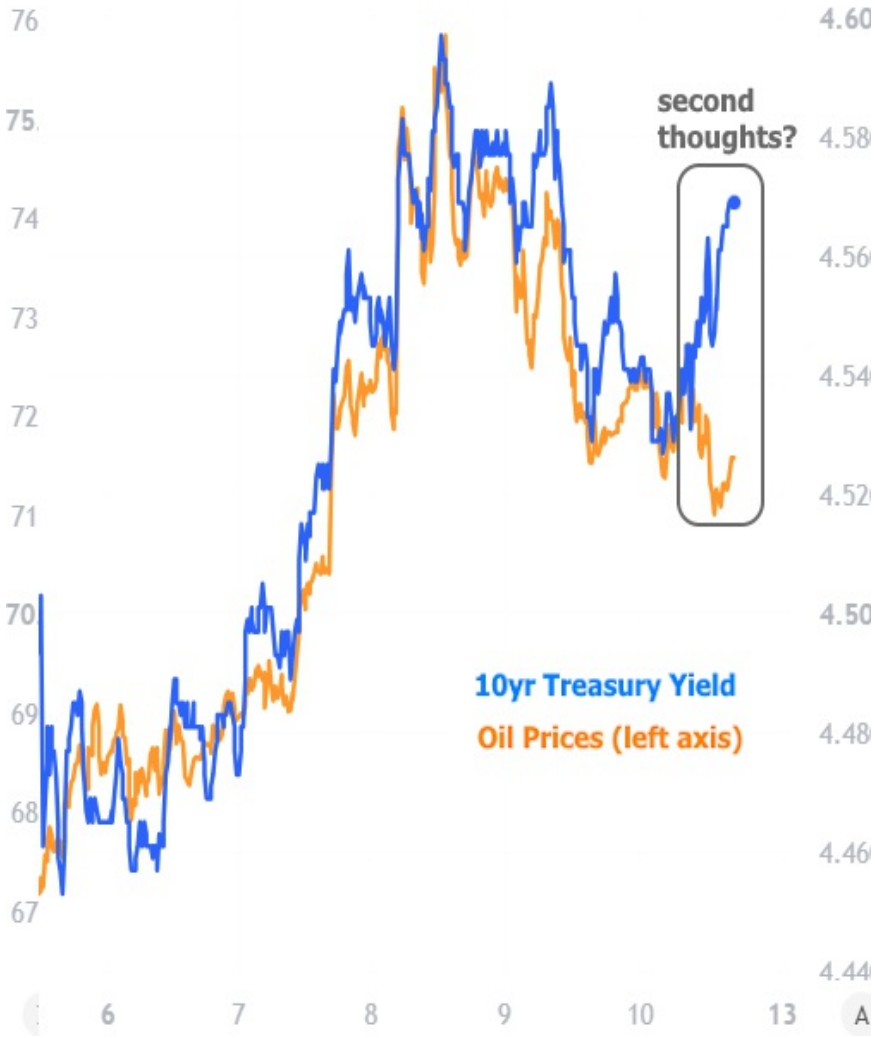
Nonetheless, recent correlation is understandable given the violence of the move in oil/fuel prices combined with an absence of other strong motivations for the bond market. This point was driven home last week when the jobs report caused a big bond-specific reaction that didn't involve oil.

The present week was a different story. Bonds/rates had very little by way of new motivation or data. Meanwhile, the end of the U.S./Iran ceasefire was big news for oil. Prices spiked and the apathetic bond market was quickly willing to be taken along for the ride.

© 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

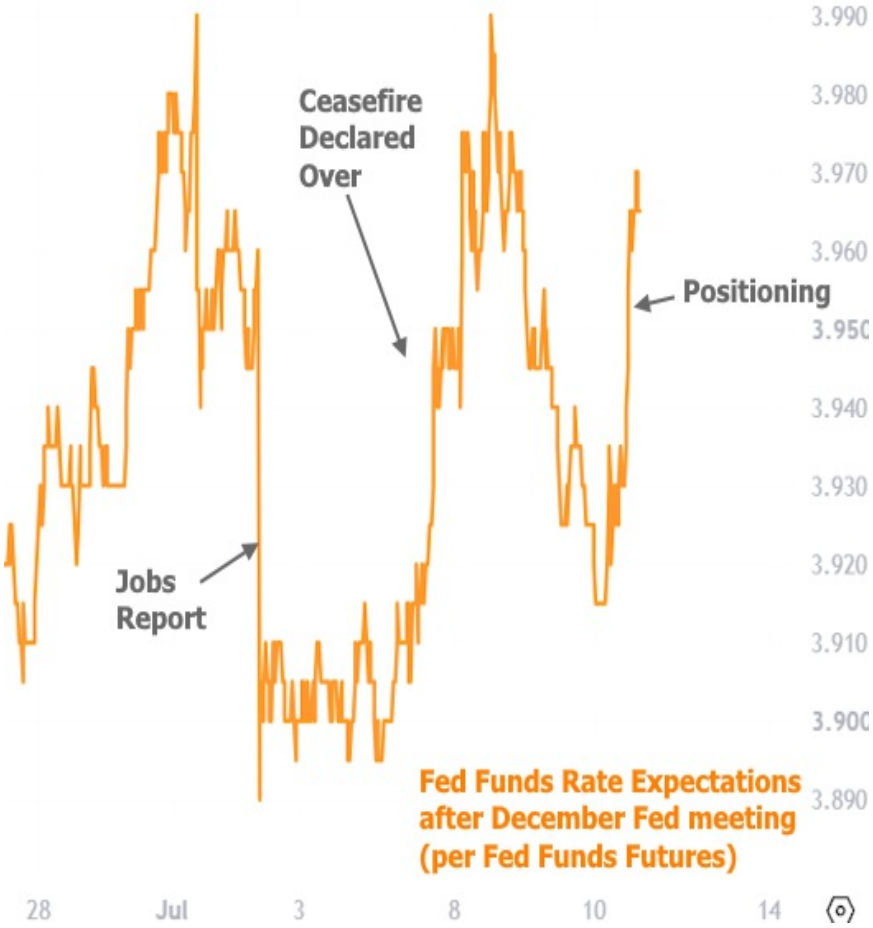


As the chart above shows, July has seen a high degree of correlation return. The only hitch was on Friday afternoon when bond yields continued to drift higher as oil prices remained lower day-over-day. There are a number of way to justify this, but the simplest would be that traders were positioning for next week's testimony from Fed Chair Warsh as well as two key inflation reports. Adding credence to this theory is the fact that Fed Funds Futures experienced an even sharper move than longer-term Treasuries.

© 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

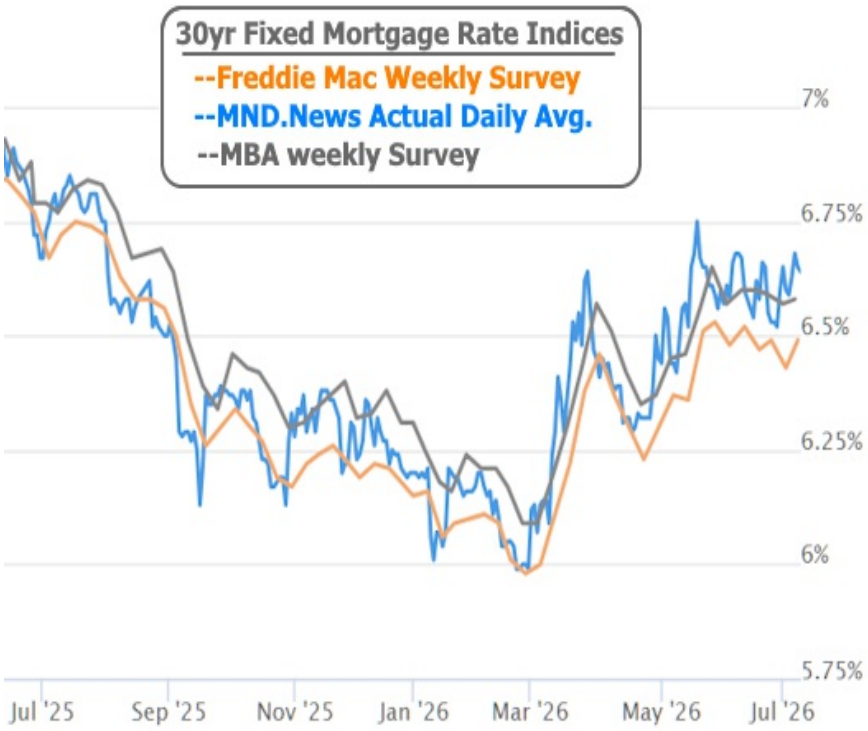


If all of the above sounds a bit dramatic, mortgage rates agree. The Treasury charts place rate volatility under a microscope. In the bigger picture, mortgage rates are merely drifting sideways in a fairly narrow range--albeit a range near the 10-month highs.

© 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



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

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, Jul 06				
10:00AM	Jun ISM N-Mfg PMI	54.0	54	54.5
Tuesday, Jul 07				
8:30AM	May Trade Gap (bl)	$-77.6B	$-78.5B	$-55.9B
11:00AM	Jun Consumer Inflation Expectations	3.7%		3.5%
Wednesday, Jul 08				
7:00AM	Jul/03 MBA Refi Index	794.4		828.7
7:00AM	Jul/03 MBA Purchase Index	169.5		170.6
2:00PM	FOMC Minutes			
Thursday, Jul 09				
8:30AM	Jul/04 Jobless Claims (k)	215K	218K	215K
10:00AM	Jun Existing home sales (ml)	4.09M	4.20M	4.17M
Tuesday, Jul 14				
8:30AM	Jun y/y Headline CPI (%)	3.5%	3.8%	4.2%
10:00AM	Fed Chair Warsh Testimony			
Wednesday, Jul 15				
8:30AM	Jun PPI y/y	5.5%	6.2%	6.5%
10:00AM	Fed Chair Warsh Testimony			

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

Date	Event	Actual	Forecast	Prior
Thursday, Jul 16				
8:30AM	Jul/11 Jobless Claims (k)	208K	217K	215K
8:30AM	Jul Philly Fed Business Index	41.4	13	10.3
8:30AM	Jun Retail Sales (%)	0.2%	0.2%	0.9%
10:00AM	Jul NAHB housing market indx	34	35	35
10:00AM	Jun Pending Home Sales (%)	-5.4%	-0.5%	3.8%
10:00AM	May Business Inventories (%)	0.3%	0.3%	0.5%
Friday, Jul 17				
8:30AM	Jun Import prices mm (%)	0.3%	-0.7%	1.9%
9:15AM	Jun Industrial Production (%)	0.1%	0.2%	0.1%
10:00AM	Jul Consumer Sentiment (ip)	54.4	51	49.5

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