**Felicia Morales**
Broker Owner, Lumina Real Estate & Lending
DRE 01471238 \ NMLS 334006
Serving All of Southern California, based in beautiful

Office: (951) 760-8307
felicia@luminabroker.com
View My Website

# How The Election and The Fed Impacted Rates

Mortgage rates spent the entire month of October moving higher at a fairly quick pace. Some of that had to do with stronger economic data, but at least as much had to do with the bond market (bonds dictate rates) adjusting to election probabilities. As we've been advising in recent weeks, the consensus was that a Trump victory (or improved odds thereof) was associated with upward pressure on rates.

The bond market left no doubts on election night as Treasury yields spiked well before any news team was anywhere close to confirming a winner. Notably, various betting sites underwent similar shifts simultaneously. The following chart shows overnight movement in 10yr Treasury yields, which tend to move like mortgage rates over time.

It's impressive and telling that yields hit levels by 10:40pm ET that were right in line with where they would go on to end the following trading day. This was not a matter of financial markets guessing or speculating. It was a

## National Average Mortgage Rates

| Mortgage News Daily | Rate | Change | Points |
|---|---|---|---|
| 30YR Fixed | 7.27% | -0.02 | 0.00 |
| 15YR Fixed | 6.92% | -0.03 | 0.00 |
| 30YR FHA | 6.90% | -0.01 | 0.00 |
| 30YR Jumbo | 7.55% | 0.00 | 0.00 |
| 7/6 SOFR | 6.78% | -0.10 | 0.00 |
| 30YR VA | 6.91% | -0.01 | 0.00 |

Rates as of: 10/30

## MBS and Treasury

| | Price / Yield | Change |
|---|---|---|
| MBS UMBS 6.0 | 99.81 | -0.02 |
| 10 YR Treasury | 4.9299 | +0.0084 |
| 30 YR Treasury | 5.3082 | +0.0081 |

Pricing as of: 10/30 5:59PM EST

## Recent Housing Data

| | | Value | Change |
|---|---|---|---|
| Mortgage Apps | Oct 21 | 195 | +3.39% |
| 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://mortgageratesupdate.com/byfelicia

reflection of their efficiency and their constant quest to operate on the fastest possible timeline with the greatest possible precision.

Note: this doesn't mean we should always count on markets to predict the future. There are plenty of examples of similar scenarios where the market encounters a surprise and is forced to make a rapid correction. This time around, things just happened to unfold largely in line with expectations.

**What about the "red sweep?"**

One of the more dire expectations as far as interest rates are concerned was that both chambers of congress would end up with GOP majorities. Full control by either political party coincides with higher rates, all other things being equal. As of Friday evening, control of the House remains undetermined--a fact that has played a role in helping rates recover a bit after the election night spike.

The following chart shows a longer term view of Treasury yields with the early October jobs report reaction for context. Note the relatively linear move higher in rate throughout the month, culminating in the final surge on election night and a return to 4.30% afterward.

Even if the GOP wins full control, it would be by a narrow enough margin to create uncertainty about some of the policy-related headwinds that interest rates might contend with in the coming year.

**What's next for rates then?**

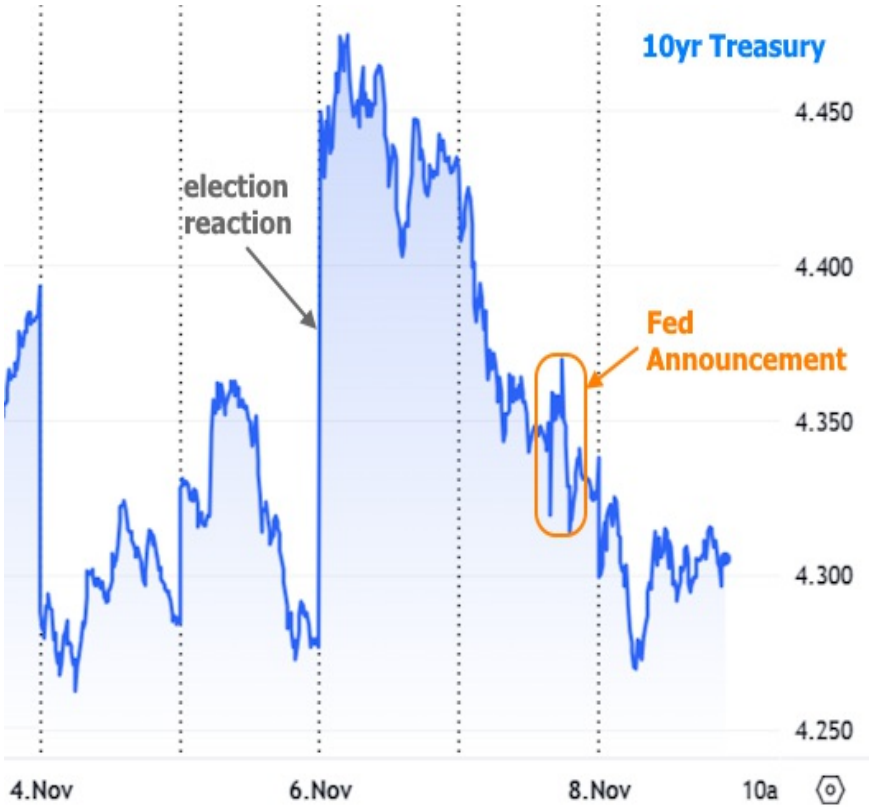
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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://mortgageratesupdate.com/byfelicia

Policy aside, rates will continue paying attention to economic data and inflation--a fact that was reinforced in Thursday's Fed announcement. As expected, the Fed cut its policy rate by 0.25%. There was essentially no reaction in longer term rates--at least not due to the Fed itself.

Longer term rates were already in the process of moving lower after the big surge on election night. In other words, it wasn't the Fed!




**What about mortgage rates specifically?**

Mortgage rates may have moved lower on Fed day, but it had nothing to do with the Fed (see the chart above to understand how entrenched the bond market correction was by the time the Fed announcement came out).

Mortgage rates actually bounced back more than Treasuries. The simplest reason has to do with expectations of increased Treasury issuance in the future. Treasuries are used to fund government spending. More issuance means higher rates, all other things being equal. Specifically, if tax policy creates a revenue shortfall, the US government pays for it with Treasuries. While Treasuries are similar in movement to mortgage rates, the latter are based on mortgage backed securities (not something the government can issue to fund operations).

As has been and continues to be the case, it is good to remember that market response to the election can be different from the market movement that occurs during the ensuing administration for a variety of reasons. The 2016 election was the best recent example. Rates spiked in 2017 and 2018 only to fall back to pre-election levels by the end of 2019. Long story short, rates will be determined by the economy and actual changes in Treasury issuance. Fiscal policy will have a bearing--possibly a big one--but not the final say.

**Coming up next week...**

© 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://mortgageratesupdate.com/byfelicia

The upcoming week brings several important economic reports with the two headliners being the Consumer Price Index (CPI) and the Retail Sales report. CPI is a key inflation metric and there's been some recent concern that inflation isn't going as quietly into the good night as some may have hoped. If this report shows monthly inflation metrics falling back in line with the friendlier numbers seen in the summer months, it could help rates continue to establish a ceiling after the recent surge.

Financial markets will be closed on Monday for the Veterans Day holiday.

Subscribe to my newsletter online at: http://mortgageratesupdate.com/byfelicia

## Recent Economic Data

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Tuesday, Nov 05** | | | | |
| 10:00AM | Oct ISM N-Mfg PMI | 56 | 53.8 | 54.9 |
| 10:00AM | Oct ISM Services Employment | 53.0 | 48.0 | 48.1 |
| 10:00AM | Oct ISM Services Prices | 58.1 | 58.0 | 59.4 |
| **Wednesday, Nov 06** | | | | |
| 7:00AM | Nov/01 MBA Purchase Index | 130.8 | | 137.8 |
| 7:00AM | Nov/01 MBA Refi Index | 513.5 | | 630.0 |
| **Thursday, Nov 07** | | | | |
| 8:30AM | Nov/02 Jobless Claims (k) | 221K | 221K | 216K |
| 8:30AM | Oct/26 Continued Claims (ml) | 1892K | 1880K | 1862K |
| 2:00PM | Fed Interest Rate Decision | 4.75% | 4.75% | 5% |
| 2:30PM | Fed Press Conference | | | |
| **Friday, Nov 08** | | | | |
| 10:00AM | Nov Consumer Sentiment (ip) | 73.0 | 71 | 70.5 |
| 10:00AM | Nov Sentiment: 1y Inflation (%) | 2.6% | 2.7% | 2.7% |
| **Monday, Nov 11** | | | | |
| 12:00AM | Veterans Day | | | |
| **Wednesday, Nov 13** | | | | |
| 8:30AM | Oct y/y CORE CPI (%) | 3.3% | 3.3% | 3.3% |
| 8:30AM | Oct m/m CORE CPI (%) | 0.3% | 0.3% | 0.3% |
| **Thursday, Nov 14** | | | | |
| 8:30AM | Oct Core Producer Prices YY (%) | 3.1% | 3% | 2.8% |
| 8:30AM | Nov/09 Jobless Claims (k) | 217K | 223K | 221K |
| 8:30AM | Oct Core Producer Prices MM (%) | 0.3% | 0.3% | 0.2% |
| 3:00PM | Fed Chair Powell Speech | | | |
| **Friday, Nov 15** | | | | |
| 8:30AM | Oct Retail Sales (%) | 0.4% | 0.3% | 0.4% |
| 8:30AM | Nov NY Fed Manufacturing | 31.20 | -0.7 | -11.90 |
| 9:15AM | Oct Industrial Production (%) | -0.3% | -0.3% | -0.3% |

## 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://mortgageratesupdate.com/byfelicia

# Clarity & Confidence in Home Financing – Your Weekly Mortgage Update!

At Lumina Real Estate and Lending, I bring a unique, full-picture approach to real estate and home loans. As both a real estate and mortgage broker, I have decades of experience helping families navigate home buying, selling, and financing.

Each week, I'll provide a clear and concise mortgage rate update, giving you the insights you need to make smart financial moves.

Have questions or need a personalized loan solution? Let's connect!

**Felicia Morales**

© 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://mortgageratesupdate.com/byfelicia