Casey Sullivan
Loan Officer and Branch Manager, The Sullivan Group at CrossCountry Mortgage
NMLS237837, CrossCounty Mortgage NMLS3029, Branch
2125 Oak Grove Rd. Ste. 328 Walnut Creek, CA 94598

Office: 925-395-4212
Mobile: 925-789-0065
casey@thesullivangrp.com
View My Website

Fed Statement Helps Rates Avoid More Dire Outcome

By some standards, the past 3 months **already** add up to a dire outcome for mortgage rates. This week's Fed announcement helped rates avoid a **more** dire outcome, but we're definitely not out of the woods yet.

To understand the "more dire outcome" in question, we need to revisit post-election rate movement. Fortunately, that's quick, even if it's **not painless**.

The combination of the election and the ensuing changes in the Fed's rate hike outlook pushed mortgage rates higher at one of the **fastest paces in history** from early November through the middle of December. From there, markets went on vacation with the rest of the world, giving rates some time to recover.

The vacation ended as trading activity (and rates) ramped back up in mid-January. Investors keyed-in on Fed Chair Yellen's speech, which served to confirm a shift in the Fed's thinking (specifically, they are indeed thinking about rates **moving higher** more quickly).

Heading into this week, rates stood ready to break higher from the consolidation pattern (a series of lower highs and higher lows) that took shape after December's highs. That made Wednesday's Fed announcement important.

Even though markets saw essentially no chance of a rate hike, investors were nonetheless looking for clues to **validate fears** about an increasingly hawkish Fed ("hawkish": more concerned with inflation, and thus more willing to hike rates).

Although the Fed made quite a few small changes to the policy statement, they left the forward guidance paragraphs (that's where the scariest stuff would be addressed) completely untouched.

With that, rates managed to **stay inside the lines**, both literally and figuratively. You can see the literal lines in the following chart of 10yr Treasury yields. The upper and lower (diagonal) lines mark the "consolidation pattern." 2.44% is included because that's been the midpoint of the consolidation. Spending the entire week above that midpoint means we're still very much 'in the woods.'

National Average Mortgage Rates

Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.29%	-0.06	0.00
15YR Fixed	6.95%	-0.05	0.00
30YR FHA	6.91%	-0.08	0.00
30YR Jumbo	7.55%	-0.05	0.00
7/6 SOFR	6.88%	+0.02	0.00
30YR VA	6.92%	-0.08	0.00

Rates as of: 10/29

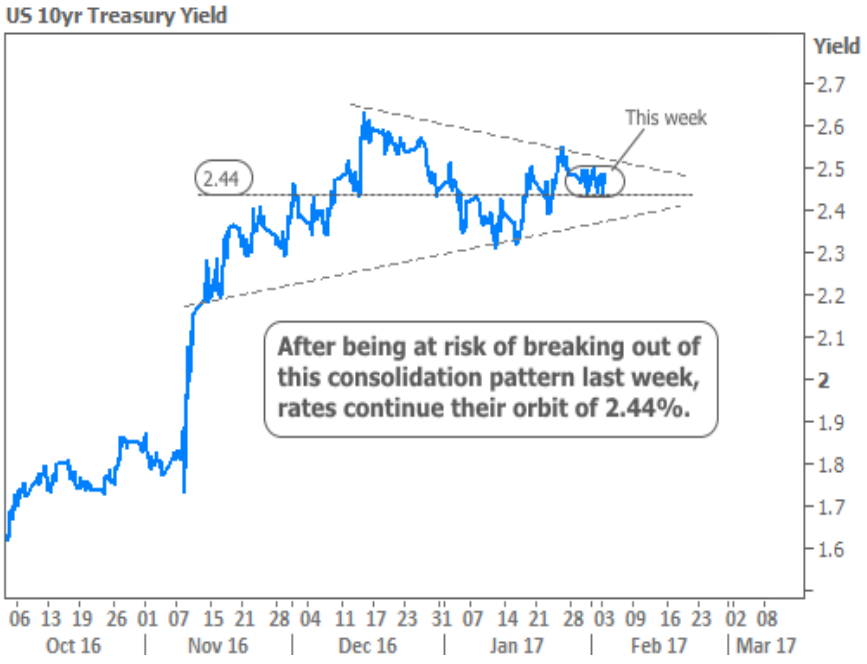
Recent Housing Data

		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%

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

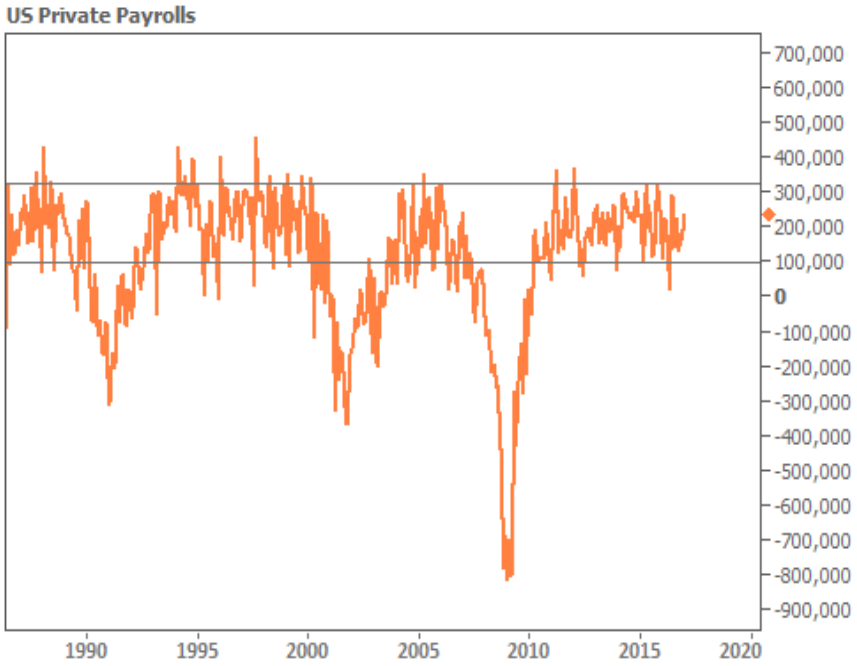
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesupdate.com/caseysullivan



In addition to the Fed, there were several important economic reports this week. **Chief among those** was Friday's nonfarm payrolls data (the big "jobs report"). Although payroll growth outpaced expectations, wage growth not only fell short, but was also revised lower for the previous month. Wage metrics are closely-watched by both markets and the Fed right now, with the expectation being that rising wages will stoke inflation and thus, faster rate hikes. The weak wage data helped rates hold their ground.

In addition to the wage growth explanation, one could also argue that job creation results just **haven't been that surprising** for several years now. We're in the midst of a classic expansion cycle (at least in terms of payroll growth). The following chart of Private Payrolls (a less volatile version of Nonfarm Payrolls) shows how these expansion cycles settle into ranges. Once we begin breaking out of that range, that'll be big news.

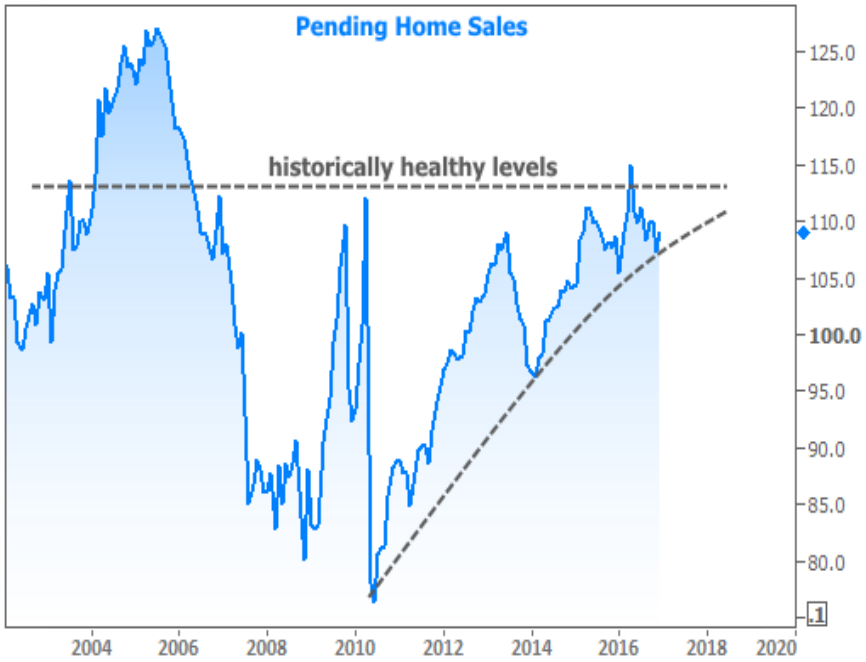


© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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/caseysullivan

In housing-specific data, Pending Home Sales improved by 1.6 percent in December, ending the year in fine shape despite remaining in a short term trend lower. If we throw out the arguable exuberance of the last housing boom, Pending Sales are actually leveling-off near **historically healthy** levels (the spikes on the chart in 2009/10 correspond with the homebuyer tax credits).



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

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, Jan 30				
8:30AM	Dec Personal consump real mm (%)	+0.3		0.1
8:30AM	Dec Personal income mm (%)	+0.3	0.4	0.0
10:00AM	Dec Pending homes index	109.0		107.3
10:00AM	Dec Pending sales change mm (%)	+1.6	1.0	-2.5
Tuesday, Jan 31				
9:00AM	Nov CaseShiller 20 mm SA (%)	+0.9	0.7	0.6
9:00AM	Nov CaseShiller 20 mm nsa (%)	+0.2	0.2	0.1
9:00AM	Nov CaseShiller 20 yy (%)	+5.3	5.1	5.1
9:45AM	Jan Chicago PMI	50.3	55.0	54.6
10:00AM	Jan Consumer confidence	111.8	113.0	113.7
Wednesday, Feb 01				
7:00AM	w/e MBA Purchase Index	229.6		243.2
7:00AM	w/e Mortgage Market Index	384.7		397.4
7:00AM	w/e Mortgage Refinance Index	1248.4		1265.6

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/caseysullivan

Date	Event	Actual	Forecast	Prior
8:15AM	Jan ADP National Employment (k)	246.0	165	153
10:00AM	Jan ISM Manufacturing PMI	56.0	55.0	54.5
10:00AM	Jan ISM Mfg Prices Paid	69.0	66.0	65.5
10:00AM	Dec Construction spending (%)	-0.2	0.2	0.9
2:00PM	N/A FOMC rate decision (%)	0.50-0.75	0.625	0.625
Thursday, Feb 02				
7:30AM	Jan Challenger layoffs (k)	45.934		33.627
8:30AM	Q4 Productivity Preliminary (%)	+1.3	1.0	3.1
8:30AM	Q4 Labor Costs Preliminary (%)	+1.7	1.9	0.7
8:30AM	w/e Initial Jobless Claims (k)	246	250	259
8:30AM	w/e Continued jobless claims (ml)	2.064	2.050	2.100
Friday, Feb 03				
8:30AM	Jan Non-farm payrolls (k)	+227	175	156
8:30AM	Jan Unemployment rate mm (%)	4.8	4.7	4.7
10:00AM	Jan ISM N-Mfg PMI	56.5	57.0	56.6
10:00AM	Dec Factory orders mm (%)	+1.3	1.0	-2.4
Tuesday, Feb 07				
8:30AM	Dec International trade mm $ (bl)	-44.3	-45.0	-45.2
1:00PM	3-Yr Note Auction (bl)	24		
Wednesday, Feb 08				
7:00AM	w/e Mortgage Market Index	393.6		384.7
Thursday, Feb 09				
10:00AM	Dec Wholesale inventories mm (%)	+1.0	1.0	1.0
Friday, Feb 10				
8:30AM	Jan Import prices mm (%)	+0.4	0.2	0.4
8:30AM	Jan Export prices mm (%)	+0.1	0.1	0.3
10:00AM	Feb Consumer Sentiment Prelim	95.7	97.9	98.5
Tuesday, Apr 11				
1:00PM	10-yr Note Auction (bl)	20		
Wednesday, Apr 12				
1:00PM	30-Yr Bond Auction (bl)	12		

© 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/caseysullivan

About Casey Sullivan

Casey is a dedicated and dependable mortgage loan officer. His clients count on him to be their skilled, experienced, and focused consultant, listening to their needs.

He skillfully assists his clients with both refinancing and home purchases in California and more specifically the San Francisco Bay Area.

His vision is to build lifetime relationships with each client as their mortgage consultant...for life! He stays connected with each client well after closing which includes loan reviews and dependable market updates.

Casey believes that everyone deserves to completely understand their mortgage financing options and that one size does not fit all when it comes to mortgages. Nor does it apply when it comes to mortgage lenders. All lenders are not made the same and they are not all equal.

For a free consultation, contact Casey Sullivan today at 925-395-4212 or Casey@TheSullivanGrp.com

NMLS237837. CrossCounty Mortgage NMLS3029, Branch NMLS1553210Branch NMLS ID# 313318
An Approved Equal Housing Lender

Casey Sullivan

© 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/caseysullivan