

Brad Belcher
Owner/Independent Mortgage Broker, Elite Mortgage LLC
572862
3943 Hwy 54 Owensboro, Kentucky 42303

Office: 270-570-2237
Mobile: 270-570-2237
bbelcher@elitemortgagerates.com
View My Website

Highest Inflation Since The 80s; Highest Rates Since 2019; Huge Volatility on Friday

There were 3 distinct parts to this week. The first part consisted of the **entirety** of the first 3 days. Rates didn't move much as the market continued to digest the big spike seen at the end of last week.

In **part 2, things got crazy**--relatively. The week's biggest economic data--the Consumer Price Index (CPI)--was released, and chaos ensued. CPI is one of the two most important broad inflation metrics, and inflation is one of the most important considerations for financial markets right now due to its implications for the rapidly evolving Fed policy outlook.

The median forecast among economists called for a fairly big increase to CPI with the more important "core" component (which excludes food and energy) rising from 5.5% to 5.9% in January. Traders felt this number was a bit too high, and were hoping to see something under 5.9%. That likely would have allayed fears that the Fed would hike rates by 0.50% in March as it finally moves up from the 0.00-0.25 lower boundary.

CPI **did not** come in under 5.9%. It actually came in 0.1% **higher** at 6.0--the highest number in decades.

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.27%	**0.00**	0.00
15YR Fixed	6.92%	**0.00**	0.00
30YR FHA	6.91%	**+0.01**	0.00
30YR Jumbo	7.52%	**-0.03**	0.00
7/6 SOFR	6.70%	**-0.08**	0.00
30YR VA	6.92%	**+0.01**	0.00

Rates as of: 11/2

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.79	**-0.07**
10 YR Treasury	4.9383	**+0.0335**
30 YR Treasury	5.3114	**+0.0219**

Pricing as of: 11/3 10:51AM EST

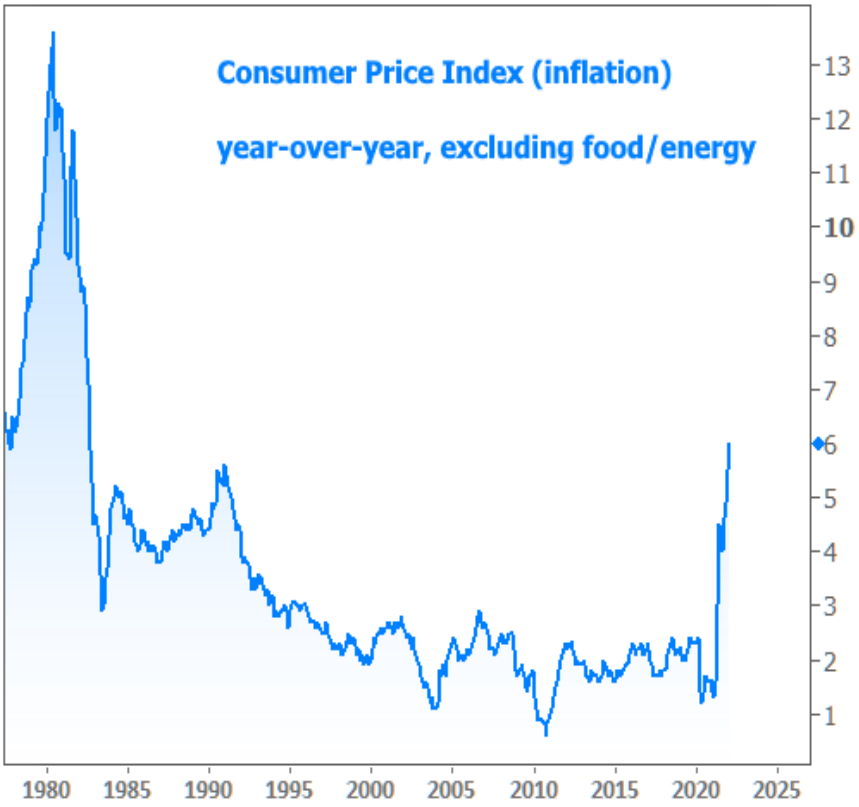
Recent Housing Data

		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/elitemortgage



Following the data, Fed Funds Futures for April (the market's way of betting on Fed rate hikes) quickly moved to price in a 0.50% hike. The probability increased to **over 90%** from roughly 50% the day before.

It's worth noting that part of the motivation came from comments from St. Louis Fed President James Bullard's comments early that same afternoon. Bullard took a **wildly more aggressive** stance than any of his colleagues, saying he'd like to see a total of 1.0% of rate hikes by July 1st, roughly double the consensus.

While Bullard received a lot of flak from market watchers as being responsible for undue drama, it was the CPI data that did **most** of the damage. Well before Bullard's comments, CPI had pushed 10yr Treasury yields up to the important 2.00% technical level--a psychological boundary that, if broken, stood a chance to prompt more weakness in bonds.

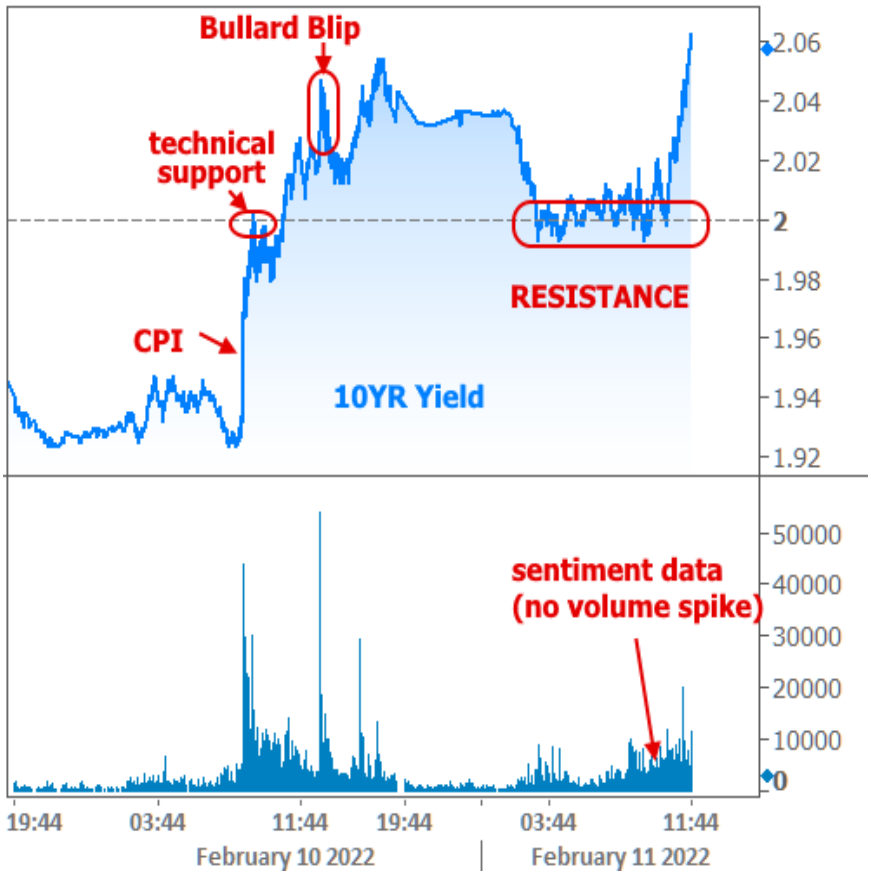
Moreover, any time such a technical level is broken, there's a risk is will act as an inflection point (which is why key levels are often referred to as "pivot points") that blocks future progress back toward lower rates.

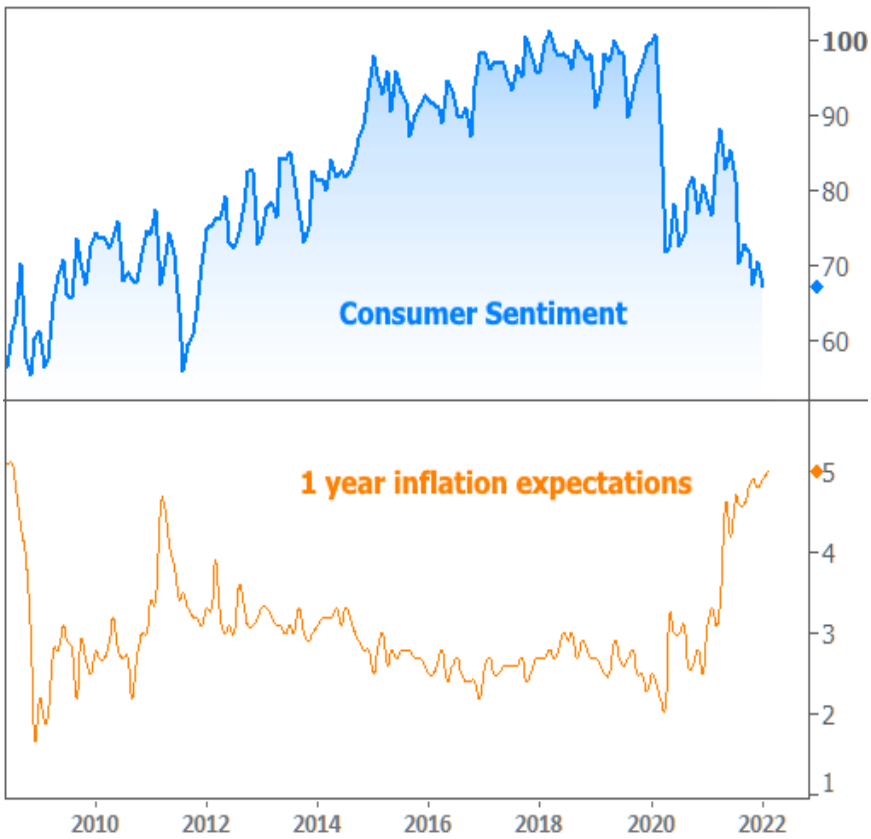
Yields did indeed break above 2.0% and nearly hit 2.03% **before** we ever heard from Bullard. Markets emphasized the importance of the 2.0% barrier the following morning as they refused to break back below despite the weakest Consumer Sentiment reading in more than a decade.

© 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/elitemortgage



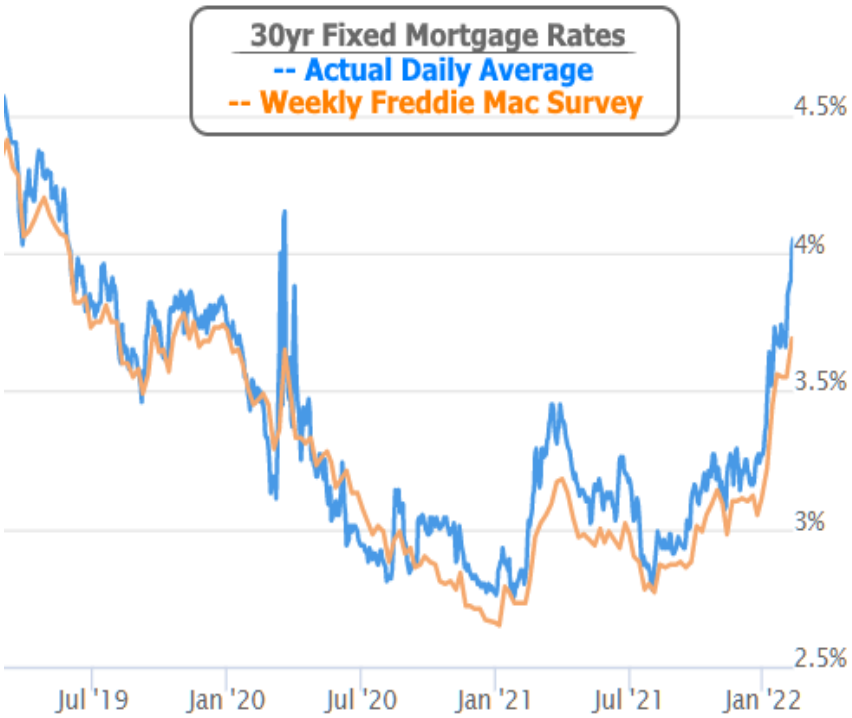


© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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/elitemortgage

This **made a bad situation worse** for mortgage rates as the average 30yr fixed had just crested 4% for the first time since May 2019 on Thursday. Notably, the weekly Freddie Mac rate survey also came out on Thursday, showing a rate of 3.69%. This was extremely far from reality from the moment it came out for all usual reasons (read all about them HERE).



The **third and final part of the week** arrived on Friday afternoon around 1:30pm. That's when news broke regarding prospect for a Russian invasion of Ukraine effective immediately. There's been lots of press coverage of this conflict over the past several months, but this was the first time a headline had this level of impact (indeed, all of the other headlines have had basically no impact when it comes to a big, immediate shift in yields and volume).

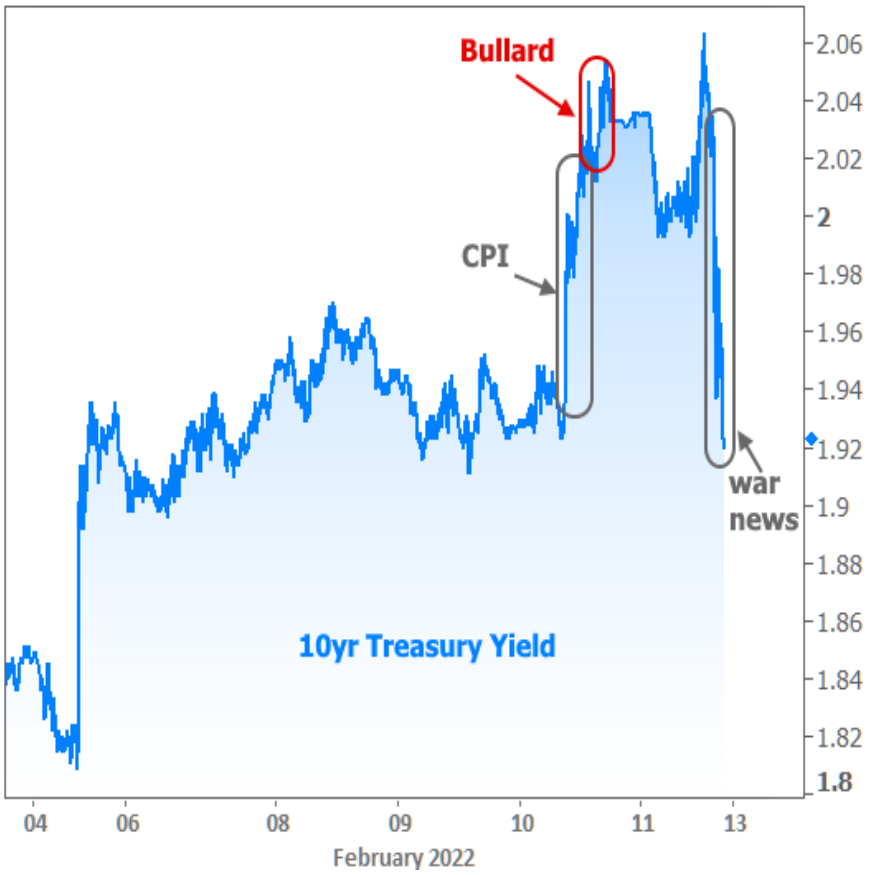
PBS's defense correspondent Nick Schifrin reported that three officials said "the US believes Russian President Vladimir Putin has decided to invade Ukraine, and has communicated that decision to the Russian military," and that invasion was expected to begin next week following "two days of aerial bombardment and electronic warfare."

Whether this happens or not, markets took it seriously. In a few short hours, the entirety of the week's damage was erased as far as Treasuries were concerned.

© 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/elitemortgage

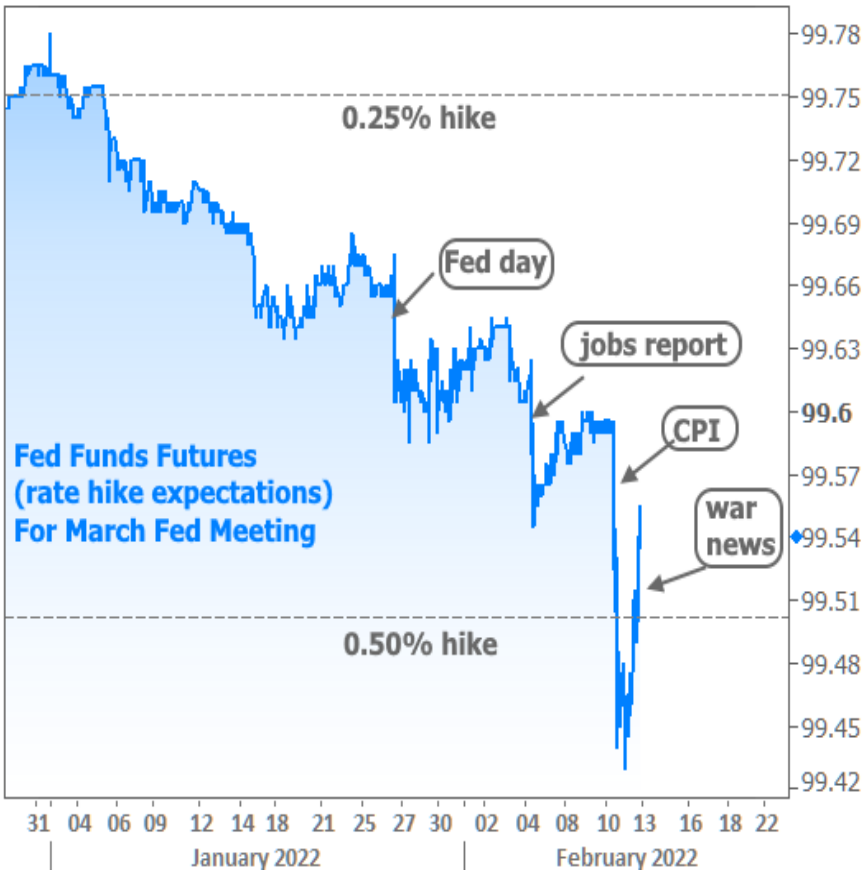


Fed Funds Futures even managed to move almost all the way back to their previous stance on the size of the March rate hike.

© 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/elitemortgage

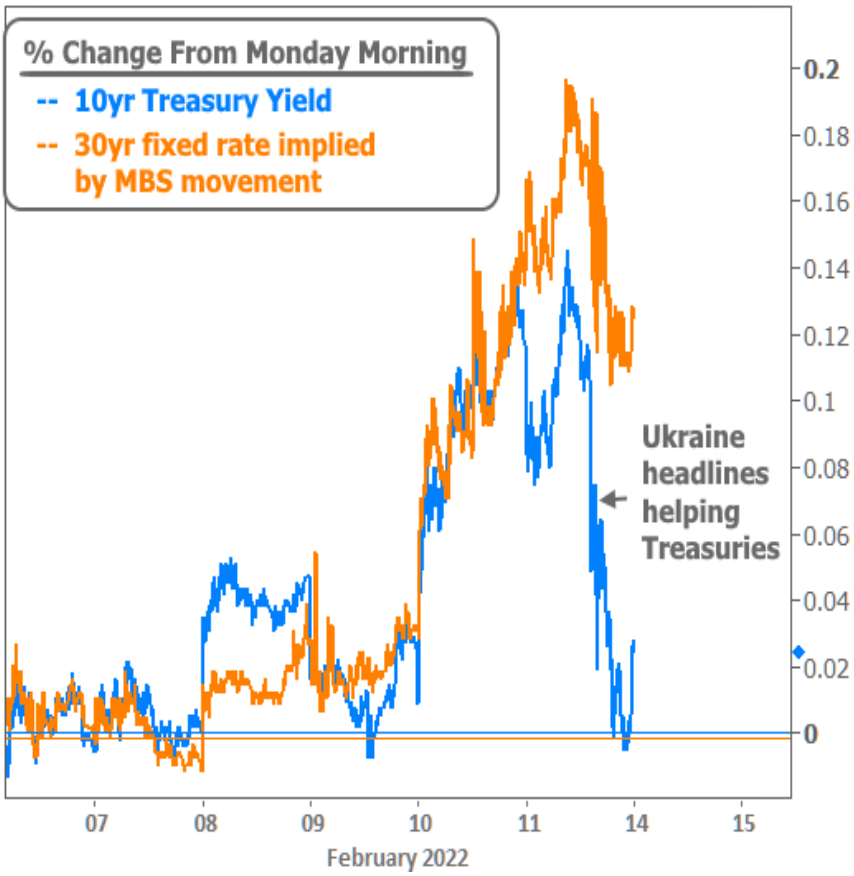


Unfortunately for mortgage rates, the Treasury market is a **much bigger beneficiary** of market panic when it comes to geopolitical risk. In other words, mortgage rates were not so quick to retrace this week's steps. It would be hard to visualize that when looking at a short term chart of mortgage rates themselves, because they are only updated a few times a day, even on volatile days. Instead, we can chart the rate implied by mortgage-backed securities (MBS), which is what mortgage lenders use to determine rates anyway!

© 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/elitemortgage



Long story short, even after the bond market bounced back on Friday afternoon, MBS were only a fraction of the way back to levels from earlier in the week. As a result, mortgage rates **remained just over 4%** on average, despite falling from the higher levels seen Friday morning. **Please note:** all references to mortgage rates are for broad averages among multiple lenders. There is a high degree of stratification between lenders and loan programs at the moment.

Next week brings several economic reports that have been important at times in the past. Chief among these is the Retail Sales data on Wednesday morning. That said, rates are **preoccupied** with the Fed policy outlook and none of next week's reports will be remotely as important as CPI was. In fact, many traders are already talking about the next CPI report in early March as it falls just one week before the Fed's next big policy meeting. In the meantime, any significant escalation in Ukraine could put additional downward pressure on rates/yields, but the mortgage market would suffer from the same underperformance issues seen on Friday.

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

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Tuesday, Feb 08				
1:00PM	3-Yr Note Auction (bl)	50		
Wednesday, Feb 09				
7:00AM	w/e MBA Purchase Index	282.3		312.2
7:00AM	w/e MBA Refi Index	2183.5		2355.4
10:00AM	Dec Wholesale inventories mm (%)	2.2	2.1	2.1

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/elitemortgage

Date	Event	Actual	Forecast	Prior
10:30AM	w/e Crude Oil Inventory (ml)	-4.756	0.369	-1.046
Thursday, Feb 10				
8:30AM	Jan Consumer Price Index (CPI) (%)	0.6	0.5	0.5
8:30AM	Jan Core CPI (Annual) (%)	6.0	5.9	5.5
8:30AM	Jan CPI (annual) (%)	7.5	7.3	7.0
8:30AM	w/e Jobless Claims (k)	223	230	238
Friday, Feb 11				
10:00AM	Feb 5yr Inflation Outlook (%)	3.1		3.1
10:00AM	Feb 1yr Inflation Outlook (%)	5.0		4.9
10:00AM	Feb Consumer Sentiment	61.7	67.5	67.2
Tuesday, Feb 15				
8:30AM	Jan Producer Prices (%)	1.0	0.5	0.2
8:30AM	Jan Core Producer Prices MM (%)	0.8	0.5	0.5
8:30AM	Jan Core Producer Prices YY (%)	8.3	7.9	8.3
8:30AM	Feb NY Fed Manufacturing	3.10	12.15	-0.70
Wednesday, Feb 16				
7:00AM	w/e MBA Purchase Index	279.0		282.3
7:00AM	w/e MBA Refi Index	1988.8		2183.5
8:30AM	Jan Import prices mm (%)	2.0	1.3	-0.2
8:30AM	Jan Retail Sales (%)	3.8	2.0	-1.9
9:15AM	Jan Industrial Production (%)	1.4	0.4	-0.1
10:00AM	Feb NAHB housing market indx	82	83	83
10:00AM	Dec Business Inventories (%)	2.1	2.1	1.3
Thursday, Feb 17				
8:30AM	Jan Building permits: number (ml)	1.899	1.760	1.885
8:30AM	Jan Build permits: change mm (%)	0.7		9.8
8:30AM	Jan Housing starts number mm (ml)	1.638	1.700	1.702
8:30AM	Feb Philly Fed Business Index	16.0	20.0	23.2
8:30AM	Jan House starts mm: change (%)	-4.1		1.4
Friday, Feb 18				
10:00AM	Jan Existing home sales (ml)	6.50	6.10	6.18
10:00AM	Jan Exist. home sales % chg (%)	6.7	-1.0	-4.6
10:00AM	Jan Leading index chg mm (%)	-0.3	0.2	0.8
Tuesday, Apr 12				
1:00PM	10-yr Note Auction (bl)	34		
Wednesday, Apr 13				
1:00PM	30-Yr Bond Auction (bl)	20		

© 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/elitemortgage

Welcome to Elite Mortgage!

Welcome to Elite Mortgage!

Our Unique Boutique Mortgage Experience combines elite licensed mortgage professionals, incomparable service, a full array of mortgage products with the most competitive rates in the industry. At Elite Mortgage you're a client, not a number!

We know that each customer has specific needs, so we strive to meet those specific needs with a wide array of products, investment tools, mortgages and best of all quality service and individual attention.

Today's technology is providing a more productive environment to work in. For example, through our website, you can submit a complete on-line, secure loan application or pre-qualify for a home loan. You may also evaluate your different financing options by using our interactive calculators and going over various mortgage scenarios.

Brad Belcher 

© 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/elitemortgage