THE FEDERAL SAVINGS BANK
Co. NMLS# 411500
Member FDIC

Ted Rood
Branch Manager, Gen Way Home Mortgage
NMLS #543290
O Fallon, Missouri 63368

Office: 3147400004
Mobile: 314-740-0004
ted_rood@yahoo.com

A Message from Ted Rood:

"Wow, bond markets are staggering today. Looks like the trend to higher rates is certainly intact!"

ALERT: WHY ARE BONDS SELLING-OFF?!

If you're one of the lucky ones with overnight price protection, you may want to lock, if you haven't been doing so already. Bonds are in the throes of a paradoxical reaction to the Trump victory. Allow me to break that down. Let's start with the pre-paradox bullet points:

- The initial reaction to a Trump victory was always assumed to positive for bonds.
- Every pre-election headline that benefited Trumps odds also benefited bonds.
- When Trump's victory became increasingly clear overnight, bonds increasingly improved

Last night, when most of the MBS Live chat was asking me how low I thought yields could go, I **rained on a few parades**, saying things like "you might be very surprised at how shallow the bounce turns out to be" and "you just saw the floor in overnight trading. Sorry."

What would lead me to be so pessimistic about our chances for today?

There were some shorter term and longer term reasons. Some of them are/were **Trump-specific:**

- Although a Trump victory = uncertainty = bond buying demand, that was never a long-term trading theme.
- In other words, Trump's bond market positivity was the kind of thing a day trader (or simply "traders with very short time horizons looking to capitalize on headlines and momentum") would latch onto without giving much thought beyond the quick profit
- I'd mentioned a consensus among analysts that Trump was more likely to be negative for bond markets due to his platform (protectionism pushing inflation higher, some previous comments about not paying back Treasury debt, higher spending, lower taxes etc).

Some of the reasons were due to the technical movements overnight. Chiefly, I was concerned about the bounce on the technical level at 1.72, which was the pivot point discussed in the Day Ahead, and on numerous

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	98.70	0.00
10 YR Treasury	5.1266	-0.0076
30 YR Treasury	5.4752	-0.0006

Pricing as of: 11/16 7:30PM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30YR Fixed	7.51%	+0.01	0.00
15YR Fixed	7.04%	+0.01	0.00
30YR FHA	7.08%	+0.03	0.00
30YR Jumbo	7.52%	+0.02	0.00
7/6 SOFR	7.12%	-0.01	0.00
30YR VA	7.10%	+0.03	0.00
Freddie Mac			
30YR Fixed	7.11%	+0.90	0.00
15YR Fixed	6.45%	+0.98	0.00
Mortgage Bankers Assoc.			
30YR Fixed	7.21%	+0.09	0.75
15YR Fixed	6.64%	+0.21	0.97
30YR FHA	6.98%	+0.20	1.06
30YR Jumbo	7.21%	+0.06	0.47
7/6 SOFR	6.28%	+0.18	1.14

Rates as of: 11/16

© 2026 MBS Live, LLC. - This mortgage market alert is a service of MarketNewsletters.com and MBS Live.

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/tedrood

other occasions over the past few months.

The **biggest reason** I was dismissive about any lasting positive bond market reaction to the Trump victory is simple: the election is simply not a big-picture market mover for global bond markets. Global bond markets are waiting anxiously to find out if the ECB will make any overtures toward reducing the pace of its asset purchases at the early December meeting.

Given that the trendline passing through 1.72% had seen the most action during Sep/Oct realization of ECB tapering risks, once I saw the big bounce at 1.72% overnight, it was plain to see that nothing about the US presidential election justified **abandoning the fear** that Sep/Oct served as a confirmation of a big-picture shift toward higher rates (yes, I realize that sentence might need to be read slowly, several times. Sorry about that).



BOTTOM LINE: If we're still living in a world where hundreds of billions of €'s in guaranteed bond buying is at stake, it doesn't make sense for bond market momentum to shift positively under any circumstances. This theme trumps Trumps victory, and even then, a Trump victory was only ever a short-term, reactionary benefit for bond markets. Bonds were under no obligation to continue rallying after buyers found their points of exhaustion in the initial overnight move. Fear about Trump's potential negative impact on bonds in the longer-term, and the bigger-picture bond market concerns were thus able to take control of today's momentum.

For the record, yes... this paradoxical result is playing out **much sooner** and in much grander fashion than most market participants expected.



© 2026 MBS Live, LLC. - This mortgage market alert is a service of MarketNewsletters.com and MBS Live.

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/tedrood

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

Responsive service, experienced expertise

I've dedicated my 26 year mortgage career to client education, superior service, and honest answers. The lending landscape has changed dramatically the past few years, and continues to do so. My job is to ensure client partners' loans close quickly, without surprises, and I take that responsibility very seriously. Referrals are a responsibility I appreciate; they're a measure of trust, and that trust must be earned every day, on every referral.

Ted Rood



© 2026 MBS Live, LLC. - This mortgage market alert is a service of MarketNewsletters.com and MBS Live.

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/tedrood