

**Matt Stout**
the STR Loan Guy, Loan Originator, E Mortgage Capital & Consumers Financial
NMLS# 248427
2834 S Highland Dr Salt Lake City, UT 84106

Mobile: 801-403-1792
greenteam@icansavemoney.com
View My Website

# Jobs Report Adds Fuel to Fed's Fire

Last week's newsletter was all about the Fed Minutes, which showcased a fairly detailed strategy for reducing the size of the Fed's balance sheet. It was generally more **rate-friendly** than investors expected. This week's jobs report added to the positive momentum--at least for rates!

Stocks, on the other hand, **don't** seem to be wanting for positive momentum. They've been moving steadily higher since November's Presidential election, slowly catching up to the massive spike in interest rates (which had already topped out by the end of 2016 as seen in the chart below).

Back in November, rates spiked faster than stocks because rates (which are driven by the bond market) had to read deeper meaning into the election results. **Not only** did rates have to adjust for economic growth and inflation potential, but **also** for the likely changes in Fed policy--specifically to the reinvestment policy (in which, Fed bond buying helps rates stay lower than they otherwise would be).

While Fed rate hike expectations definitely have an impact on longer term rates like 10yr Treasury yields and mortgages, it wasn't until the Fed began **demystifying** its reinvestment plans that rates were able to make a meaningful move back toward lower levels.

## National Average Mortgage Rates




| Mortgage News Daily | Rate | Change | Points |
|---|---|---|---|
| 30YR Fixed | 7.17% | -0.05 | 0.00 |
| 15YR Fixed | 6.80% | -0.05 | 0.00 |
| 30YR FHA | 6.80% | -0.09 | 0.00 |
| 30YR Jumbo | 7.37% | -0.03 | 0.00 |
| 7/6 SOFR | 6.66% | -0.07 | 0.00 |
| 30YR VA | 6.82% | -0.08 | 0.00 |

Rates as of: 11/5

## MBS and Treasury

| | Price / Yield | Change |
|---|---|---|
| MBS UMBS 6.0 | 100.26 | +0.05 |
| 10 YR Treasury | 4.8420 | +0.0068 |
| 30 YR Treasury | 5.2576 | +0.0021 |

Pricing as of: 11/5 7:22PM EST

## Recent Housing Data

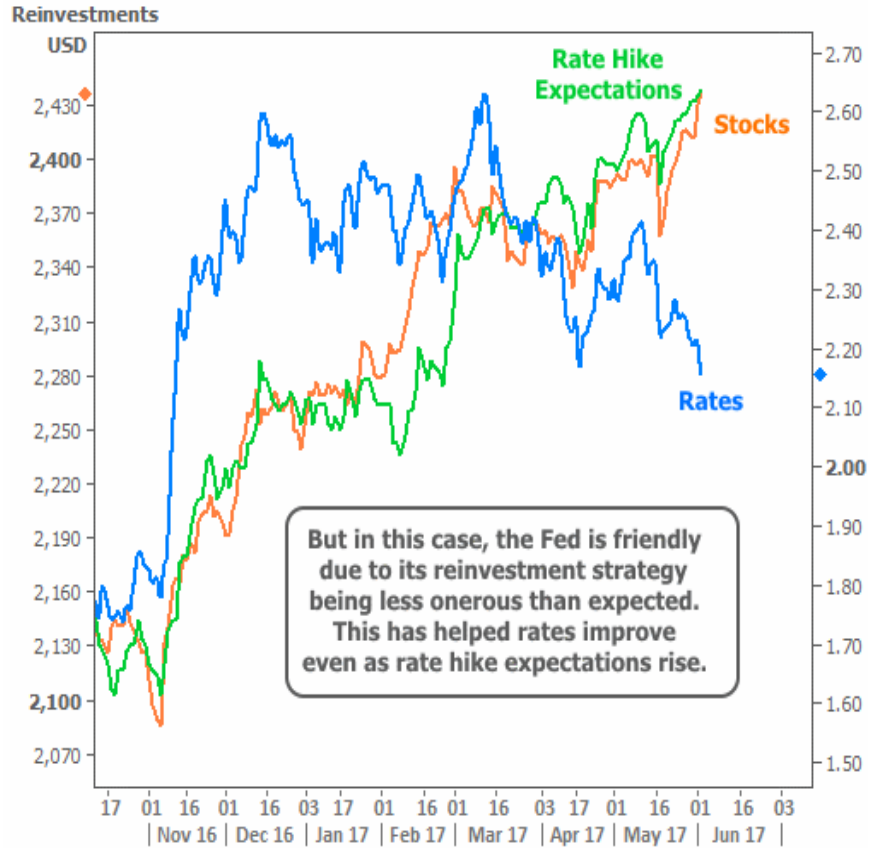
| | | Value | Change |
|---|---|---|---|
| Mortgage Apps | Oct 21 | 195 | +3.39% |
| Building Permits | Sep | 1.4M | +0.43% |
| Housing Starts | Sep | 1.22M | -4.24% |
| New Home Sales | Sep | 676K | -1.17% |
| Pending Home Sales | Aug | 71.2 | 0% |
| Existing Home Sales | Oct | 3.99M | +0.25% |
| Builder 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/thestrloanguy



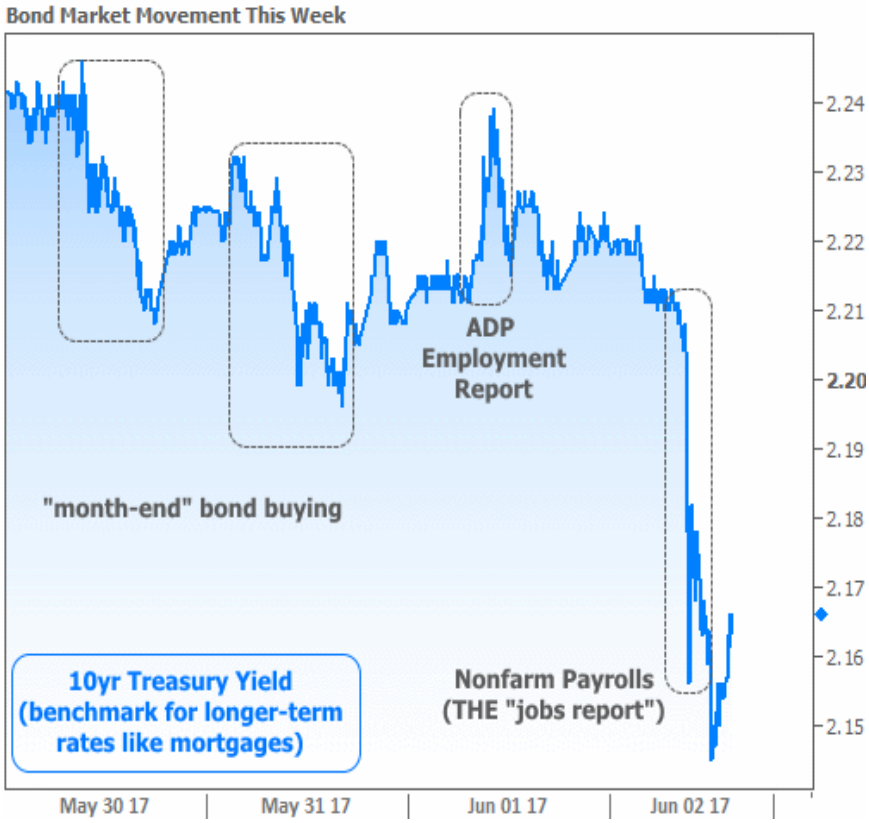




© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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/thestrloanguy

Fed policy often accounts for the **biggest** shifts in rate momentum, while the day-to-day events and headlines act more like fine-tuning adjustments. This week, those smaller adjustments took the form of "month-end bond buying" on Tuesday and Wednesday (compulsory trades from money managers who have to be holding a certain mix of bonds by the end of the month). On Thursday, there was some volatility surrounding the ADP Employment report, but it was **Friday's jobs report** that caused the biggest move.




While "big" in the context of this week, Friday was still one of those "fine-tuning adjustments" in the bigger picture. The reason it's **more exciting than normal** is that it brings rates to a very important line in the sand.

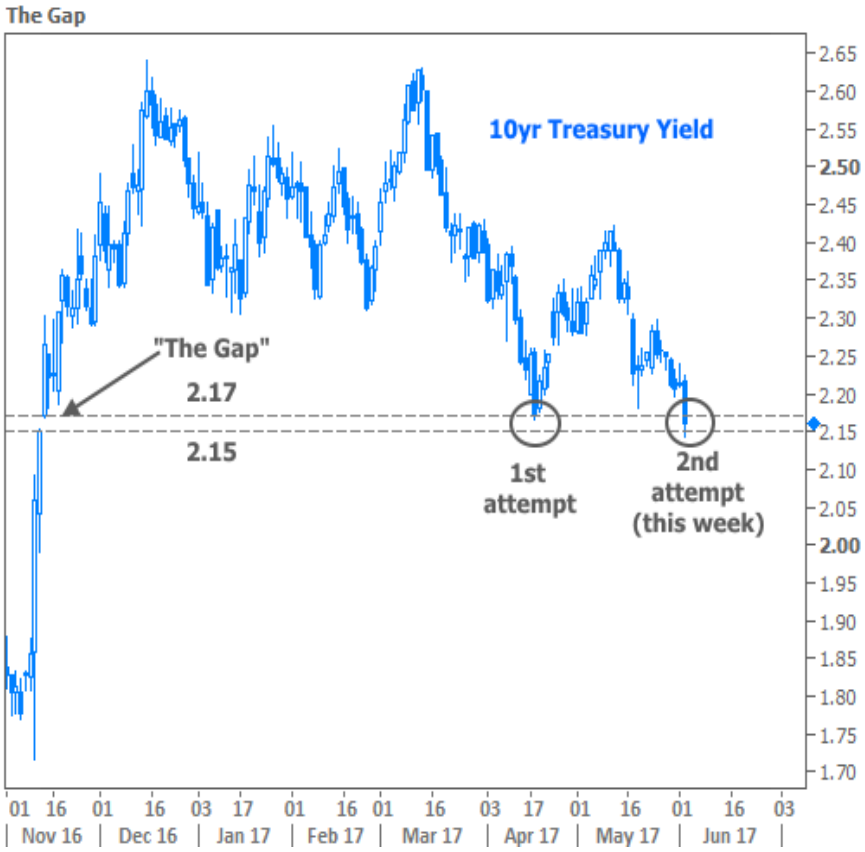
Following the election, US 10yr yields (the quintessential benchmark for momentum in longer-term rates like mortgages) formed a prominent "gap" between the closing levels of one day and the opening levels of the next. This is typically only seen in the midst of major shifts in momentum.

Breaking **THROUGH** the gap would be a big deal as it would suggest an end to this period of negative momentum. This week began with rates being fairly close to the gap. From there, weaker jobs numbers provided the final fine-tuning adjustment. In the chart above, it was as simple as getting below 2.17%. In the chart below, we see rates' second attempt since the election to storm the proverbial castle. The first attempt was unsuccessful. Will things be **different this time?** We'll know a lot more about that when we see how bonds trade 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/thestrloanguy



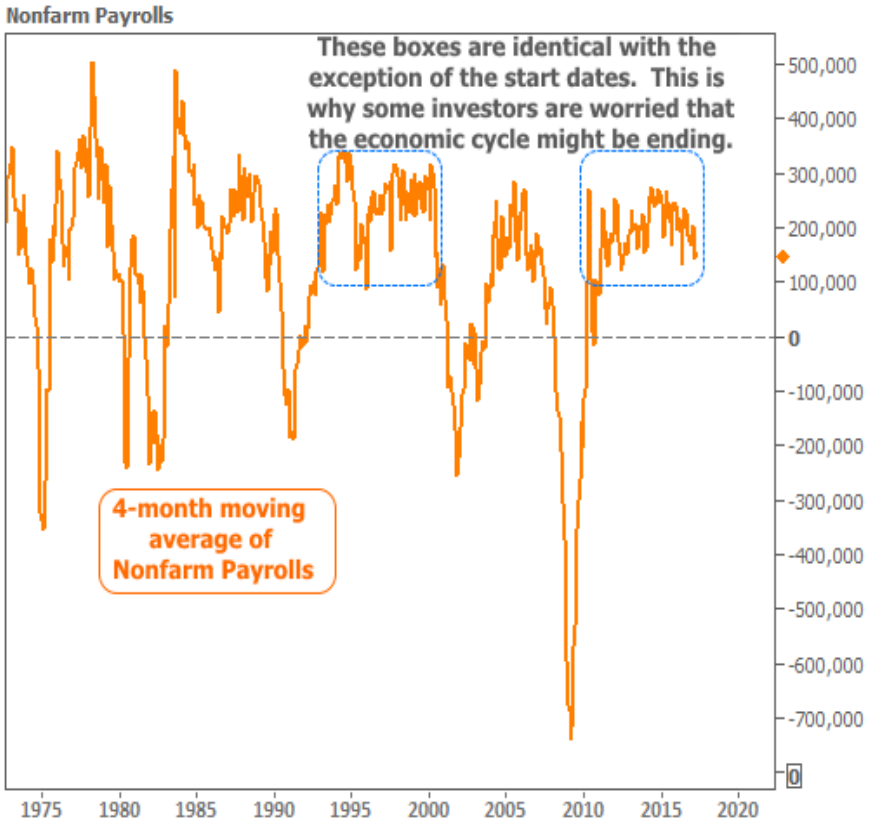

When/if this gap breaks, it **could merely be the beginning** of additional positive momentum. With fiscal policy plans hitting roadblocks this spring and some softness in the economic data, traders are once again considering the risk of the economic cycle "rolling over." This is a simple reference to economic expansions (adding jobs, positive changes in GDP) vs contractions (losing jobs, negative GDP).

The positive economic cycle in the 90's is often cited as a paragon of stability and staying power in terms of job creation. The chart below highlights that cycle compared to the current expansion. **Long story short,** this week's jobs numbers (nonfarm payrolls) did nothing to reject the notion that the current cycle remains at risk of rolling over--if not now, then soon.

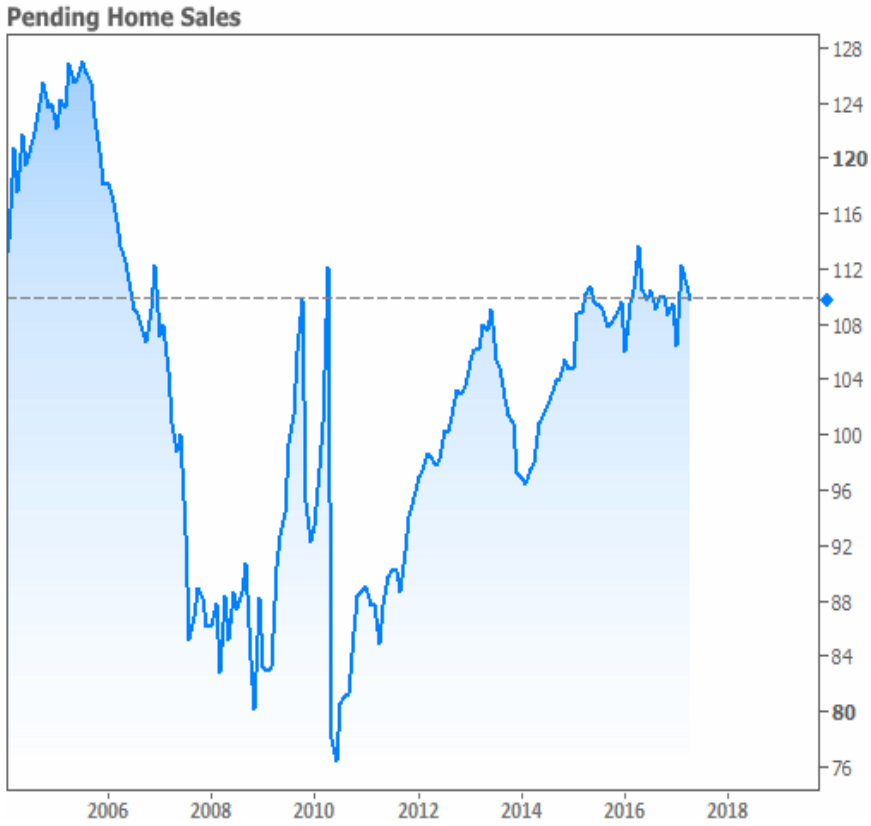
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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/thestrloanguy




This week's **housing-specific data** sang a similar tune, with Pending Home Sales falling in line with 2016's averages. This advance indicator of sales activity increasingly looks to be stalling-out since 2015.




© 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/thestrloanguy

Not all the housing news was bad, however. **Home prices** continued to defy the odds according to separate reports from Black Knight and Case-Shiller. At the same time, Fannie Mae implemented an underwriting change that could help a few more prospective homebuyers qualify for loans on these ever-pricier homes by **easing DTI** (debt-to-income) requirements.

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

## Recent Economic Data

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Tuesday, May 30** | | | | |
| 8:30AM | Apr Consumption, adjusted mm (%) | +0.4 | 0.4 | 0.0 |
| 8:30AM | Apr Personal income mm (%) | +0.4 | 0.4 | 0.2 |
| 8:30AM | Apr Core PCE price index yy (%) | +1.5 | | 1.6 |
| 10:00AM | May Consumer confidence | 117.9 | 119.8 | 120.3 |
| **Wednesday, May 31** | | | | |
| 7:00AM | w/e MBA Purchase Index | 238.1 | | 241.6 |
| 7:00AM | w/e Mortgage Refinance Index | 1323.1 | | 1402.0 |
| 9:45AM | May Chicago PMI | 59.4 | 57.0 | 58.3 |
| 10:00AM | Apr Pending sales change mm (%) | -1.3 | 0.5 | -0.8 |
| 10:00AM | Apr Pending homes index | 109.8 | | 111.4 |
| **Thursday, Jun 01** | | | | |
| 8:15AM | May ADP National Employment (k) | 253.0 | 185 | 177 |
| 8:30AM | w/e Initial Jobless Claims (k) | 248 | 240 | 234 |
| 10:00AM | May ISM Manufacturing PMI | 54.9 | 54.5 | 54.8 |
| 10:00AM | Apr Construction spending (%) | -1.4 | 0.5 | -0.2 |
| **Friday, Jun 02** | | | | |
| 8:30AM | May Non-farm payrolls (k) | +138 | 185 | 211 |
| 8:30AM | May Private Payrolls (k) | +147 | 173 | 194 |
| 8:30AM | May Unemployment rate mm (%) | 4.3 | 4.4 | 4.4 |
| **Monday, Jun 05** | | | | |
| 8:30AM | Q1 Productivity Revised (%) | 0.0 | 0.0 | -0.6 |
| 8:30AM | Q1 Labor Costs Revised (%) | +2.2 | 2.4 | 3.0 |
| 10:00AM | May ISM N-Mfg PMI | 56.9 | 57.0 | 57.5 |
| 10:00AM | Apr Factory orders mm (%) | -0.2 | -0.2 | 0.5 |
| **Wednesday, Jun 07** | | | | |
| 7:00AM | w/e Mortgage Market Index | 430.6 | | 402.2 |
| **Friday, Jun 09** | | | | |
| 10:00AM | Apr Wholesale inventories mm (%) | -0.5 | 0.2 | -0.3 |
| 10:00AM | Apr Wholesale sales mm (%) | -0.4 | | 0.0 |

## 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/thestrloanguy

## Getting a mortgage doesn't have to be painful!

I specialize in STR/Airbnb financing & am licensed to offer all types of mortgages in most markets. I've funded over 4300 loans & am dedicated to helping people succeed. I love sharing hot properties that are perfect for Airbnbs & helpful homebuying tips. Visit www.IcanSaveMoney.com or call (800) 340-5465 to find your best options today NMLS# 248427/1416842. #thestrloanguy

**Matt Stout** 

© 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/thestrloanguy