

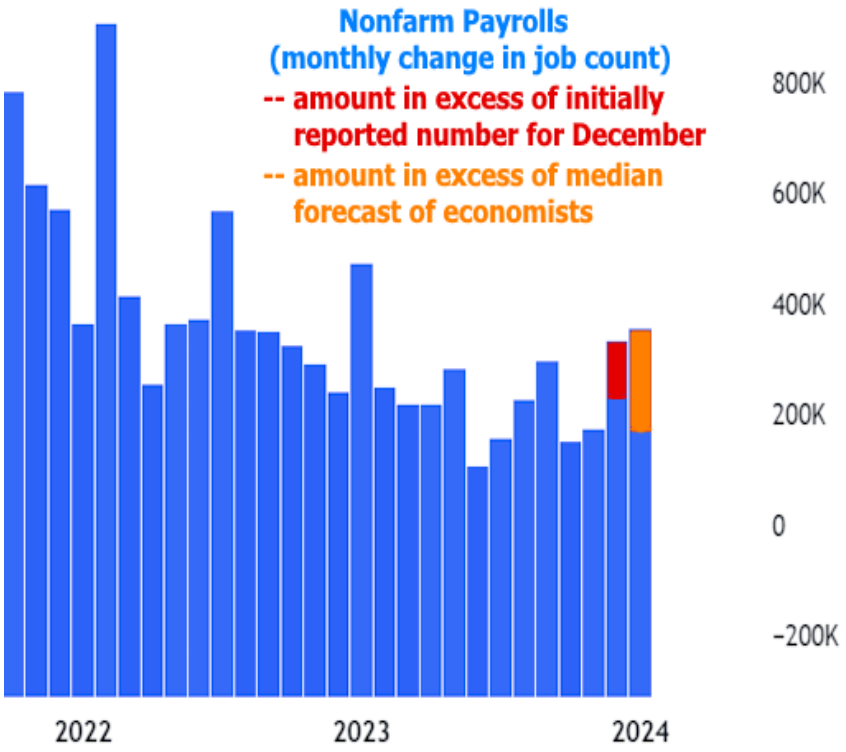
Wesly Wilkerson
Branch Manager, MortgageRight
NMLS #862840 - Licensed in AL, FL & GA
216 S. 8th Street Opelika, AL 36801

Mobile: 334-718-0280
wesly@mortgageright.com
View My Website

Worst Day For Rates in More Than a Year After Jobs Report, But It's Not as Bad as it Sounds

Interest rates have a long and reliable history of reacting to the jobs report more than any other monthly economic data and the most recent example sent mortgage rates screaming higher at the fastest pace in over a year.

Labor market strength = higher rates, all other things being equal, and Friday's NFP or "nonfarm payrolls" (the main component of the report), came in **significantly** higher than expected (353k vs 180k forecast). December's payroll count was also revised much higher (333k versus 216k previously).



When NFP deviates from expectations by such a wide margin, it's unfortunately common to see a lot of commentary suggesting some sort of manipulation or at least incompetence, but that's not something that smart, credible market participants tend to entertain. Reason being: they understand that January's jobs data (the stuff released in early Feb) is often plagued by major departures from expectations because it's the one month of

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 28	192.6	-1.23%
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://mortgagenewsletter.net/wesly-wilkerson

the year where the Bureau of Labor Statistics (BLS) implements new benchmarks based on a comprehensive count of jobs conducted in March of the previous year.

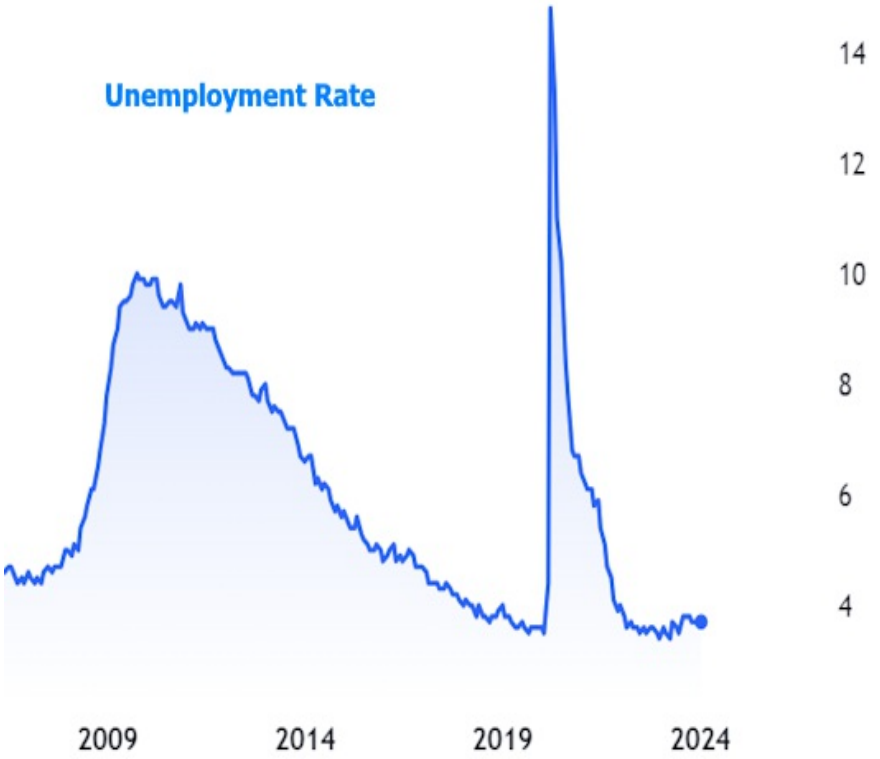
The BLS benchmark revision process is mind-numbingly arcane for most people who don't have a background in statistics. Unfortunately, the esoteric nature of the problem leaves lots of room for people without a background in statistics to come up with conspiracy theories.

To understand this better, consider the changing composition of jobs over time. BLS adjusts job counts based on weightings that are determined once per year based on a more thorough count of labor market information in March. If the composition of the labor market is changing more rapidly than normal (which is an understatement for the post-covid economy), it can result in big deviations from expectations when the revisions are implemented in the January data.

If you'd like to see the actual changes in each industry category, BLS publishes the data here: https://www.bls.gov/web/empsit/cesprelbmk.htm

Benchmark revisions, alone, don't explain the wild results this week, but they help the financial market take the numbers with a grain of salt.

There are, of course, other ways to look at the labor market without having to worry about all that confusing stuff. For instance, we could simply ask people if they're unemployed. BLS does that and, indeed, those numbers were far less shocking (unemployment rate of 3.7%, unchanged from last month, but slightly stronger than expected).



Even after the "yeah buts," the jobs report was still deemed much stronger than expected, and that's the sort of thing that pushes mortgage rates higher.

The bond market (which determines rates) was also stretching into levels that were arguably a lot lower than expected due to events of the previous 4 days this week. That made Friday's whiplash all the more brutal. Without the big drop earlier in the week, bond yields would look like they were leveling off more gently from recent highs.

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

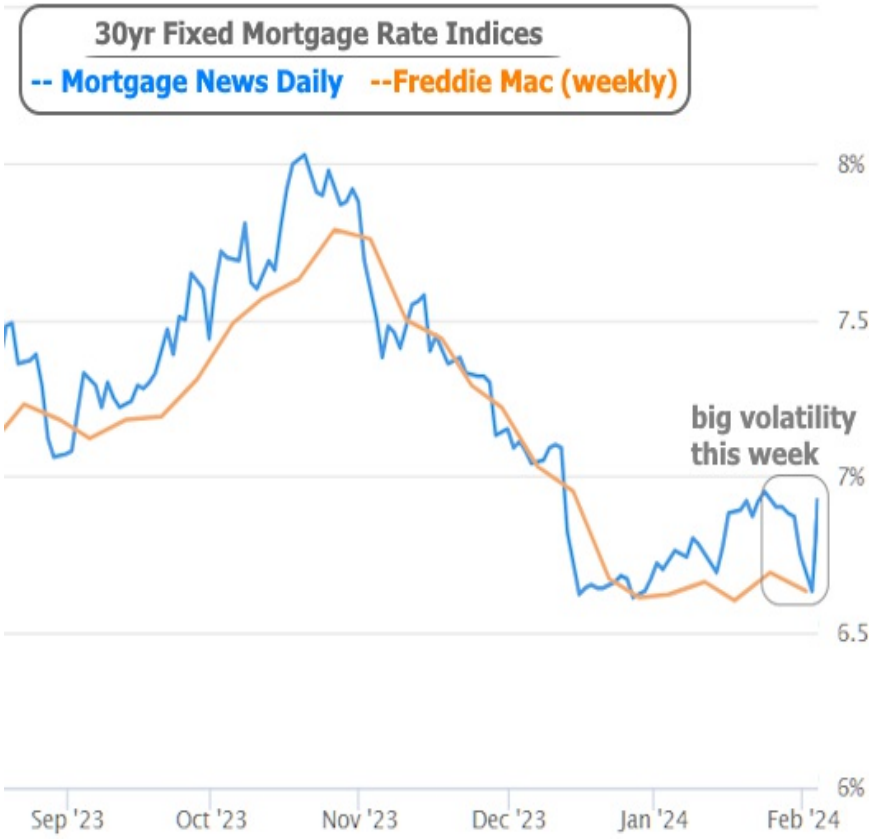
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial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

Read or subscribe to my newsletter online at: http://mortgagenewsletter.net/wesly-wilkerson

US Housing Market Weekly



Consider this, both of the past 2 days saw the biggest drop in mortgage rates in more than a month. The two days before that were also slightly stronger. Mortgage rates on Friday are roughly in line with last week's highest rates. Only by comparing Thursday's surprisingly low rates to Friday's abrupt bounce can we observe the biggest single day jump since October 2022.



© 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://mortgagenewsletter.net/wesly-wilkerson

Believe it or not, there are even more confusing reasons behind this week's volatility that have to do with the structure of the mortgage-backed securities market, but we'll save that for a dedicated "deep dive" in the future. The bottom line is that it took something of a perfect storm to cause this big of a jump in rates.

Rather than focus on attempting to understand why things happened in the recent past, perhaps it's better to consider what it means for the near-term future. The good news is that a strong labor market alone is not capable of keeping rates at higher levels if inflation continues to come down.

In this week's policy announcement press conference, Fed Chair Powell said the Fed is confident that inflation is doing what it needs to in order for the Fed to cut rates this year, but that they'd like to be just a bit more confident. Strong labor market data increases doubts, all other things being equal, but if upcoming inflation reports show more evidence of core inflation moving back to the 2% target, financial markets will move into position for lower rates even before the Fed officially cuts.

The next major inflation report is 2 weeks away which leaves investors to focus on other economic data next week in addition to comments from Fed speakers and the Treasury auction cycle.

Subscribe to my newsletter online at: http://mortgagenewsletter.net/wesly-wilkerson

Mortgages Done the Right Way!

My goal is to make your home financing experience as easy as possible. With over 12 years experience in home financing and nearly 10 years experience in the IT field, I always seek to streamline the home financing experience. Whether a purchase or refinance, I have the knowledge, wisdom, and experience to get the job done quickly, efficiently and as painless as possible. My experience in Conventional, FHA, VA and USDA lending as well as new construction, foreclosures, condos, debt consolidation, HELOCs, Non-QM Lending and owner financing means I am can navigate each loan scenario with expertise. I offer great customer service, patience with new home buyers and a "never give up" attitude coupled with out-of-the-box thinking to get the job done. Please feel free to contact me via phone, text or email to discuss your financing needs.

Wesly Wilkerson 

© 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://mortgagenewsletter.net/wesly-wilkerson