

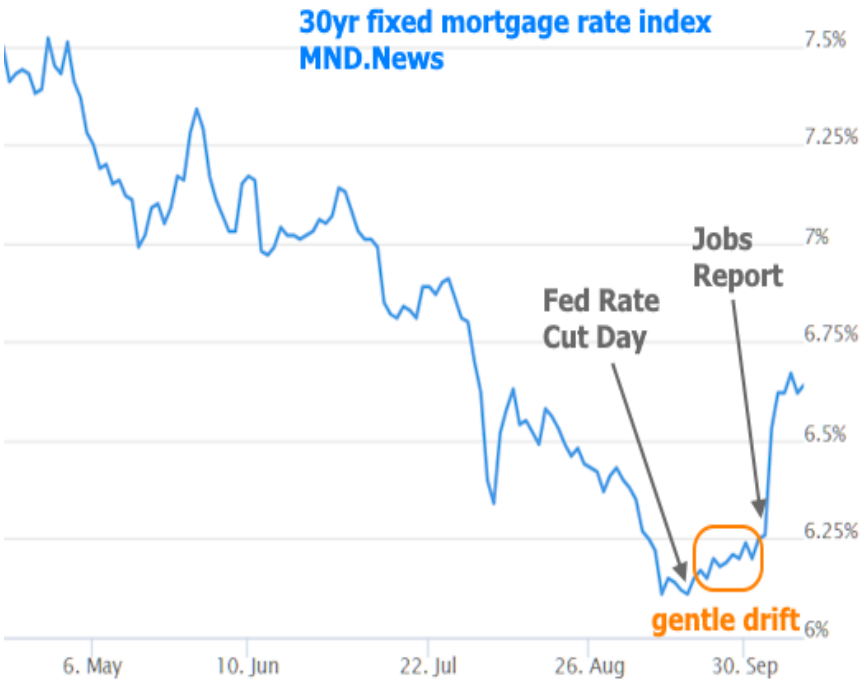
Wesly Wilkerson
Branch Manager, MortgageRight
NMLS #862840 - Licensed in AL, FL & GA
216 S. 8th Street Opelika, AL 36801

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

Lots of Confusion About Recent Rate Movement. Let's Clear it up

It's been frustrating and potentially confusing to see mortgage rates move consistently higher after the Fed's September 18th rate cut, but the Fed has nothing to do with the big rate spike of the past few weeks. The Fed's rate cut wasn't even the reason that rates went higher in the last part of September, but it was a big part of the reason that interest rates moved so much lower in the preceding months, thus leaving themselves in a position to pause for reflection after the cut actually happened.

That pause made for a gentle drift to modestly higher rates up until late last week. Since then, it has been last Friday's jobs report that created the unpleasant momentum that continues causing problems for fans of low rates. All of the above is highlighted in the chart below:



Neither the gentle drift nor the big spike are surprises. We exhaustively warned about the potential for higher rates after the Fed rate cut. From there, the jobs report always had a lot of potential to send rates higher or lower in a hurry. It just so happened we go the "higher" version. Everything beyond those details has been fairly uneventful since then. The big issue is that it will take big data to push rates back toward their recent lows, and that

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.

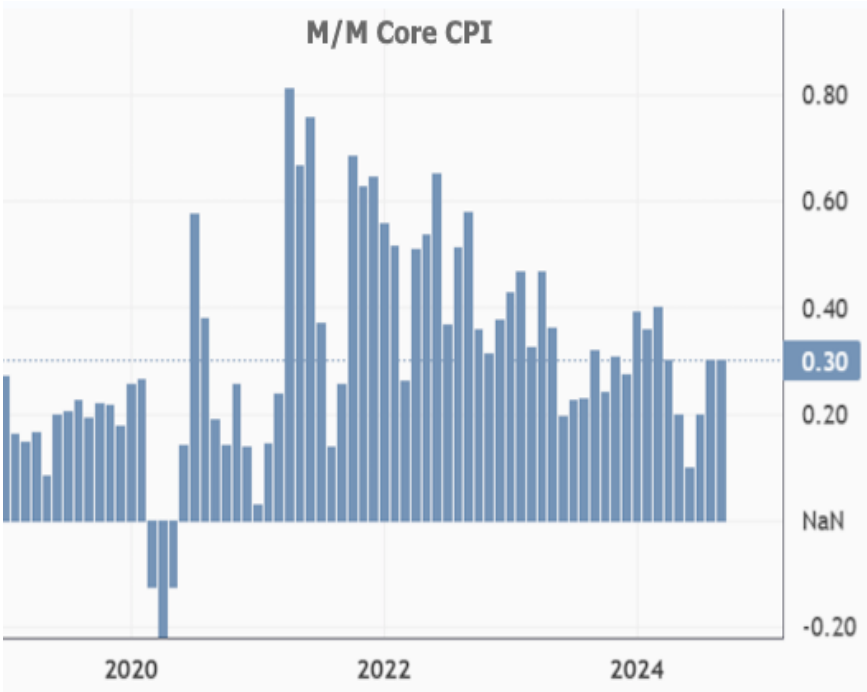
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial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

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

data would need to show a downbeat labor market.

The crop of economic data from the present week wasn't up to the task of causing much movement, but it also wasn't anywhere nearly as surprising as last week's jobs report. While the Consumer Price Index (CPI) has been even more important than the big jobs report on many occasions over the past few years, it is more of a strong supporting actor now. Markets and the Fed are watching to make sure it doesn't move back up, but there's not much extra benefit to interest rates if it simply holds steady.

This week's CPI came in just a bit higher than expected with the monthly "core" reading at 0.3 instead of the 0.2 forecast. If Core CPI can't manage to print more 0.2 and 0.1 readings, it will be tough for the Fed to cut rates too aggressively.

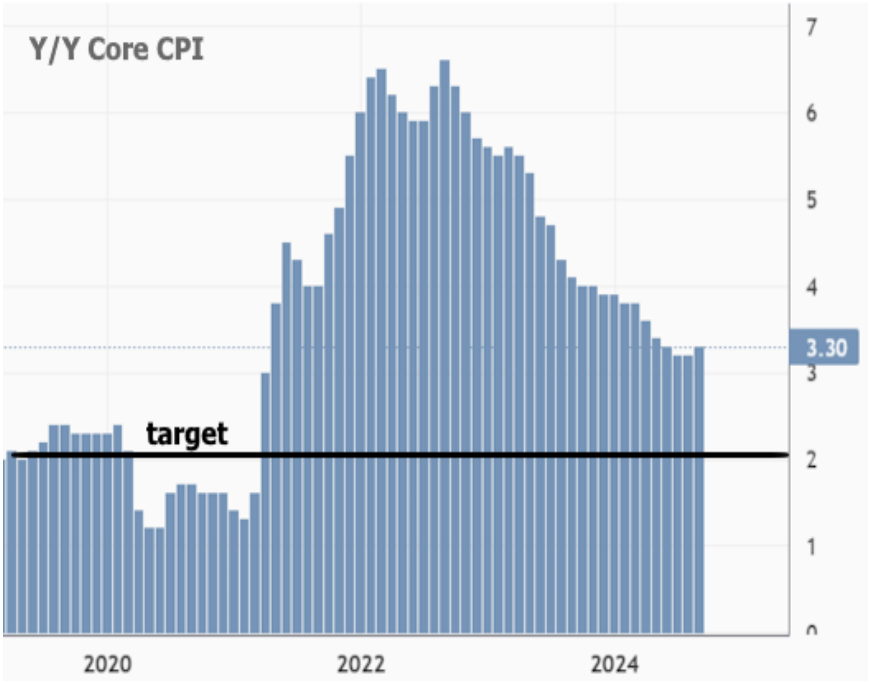


Looking at the same data in year over year terms, we can see that it would be impossible to get to the 2% target unless we get monthly numbers that are a bit lower (if this week's 0.3% core inflation were repeated, it would eventually make for a 3.6% annual number, which is even higher than the current 3.3% annual level).

© 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



To be fair, this week's CPI might have had a bigger negative impact on rates if not for the higher reading in Initial Jobless Claims. Not to be confused with the big jobs report, Initial Claims are reported weekly in addition to continuing jobless claims. A spike in jobless claims can help confirm labor market weakness at times when the economy is turning a corner toward recession. This week's number was the highest since last summer and much higher than forecast.

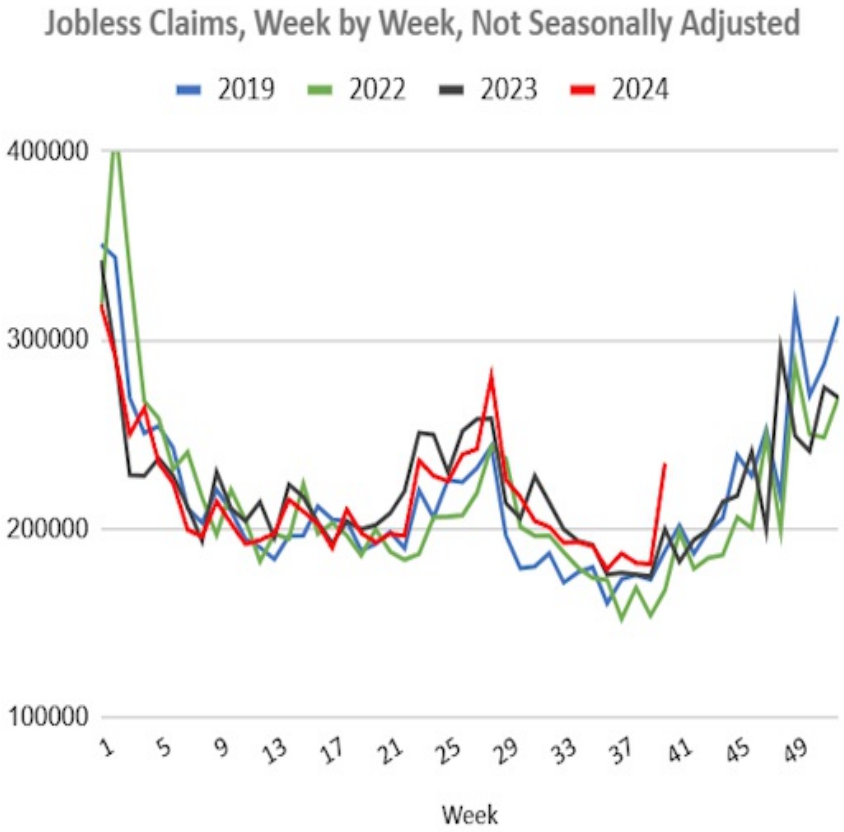


© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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 chart above might raise some concerns about the labor market, but there are some mitigating factors. The first is the chart itself, and the seasonal pattern that has played out in a somewhat similar fashion. Notably, we aren't supposed to be able to see seasonal patterns in this data because it's seasonally adjusted, but if the normal labor market patterns are shifting, it can take time for adjustment models to adjust. One workaround is to compare non-adjusted numbers to the past few similar years. Doing so results in the following chart:



This chart suggests more labor market concern (due to the sharp spike in the red line compared to the others). If it weren't for hurricanes and other temporary distortions, it probably would have caused a bigger market reaction, but it's being taken with a grain of salt for now. If the red line continues operating well above the others over the course of several weeks, it will be a much bigger deal (and a legitimate benefit for mortgage rates).

The week ahead is shorter than normal for the rate market with Monday being closed for Indigenous Peoples' Day. Economic data remains sparse which means we could be waiting several more weeks for movement that's even remotely as big as last week's.

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

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