MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

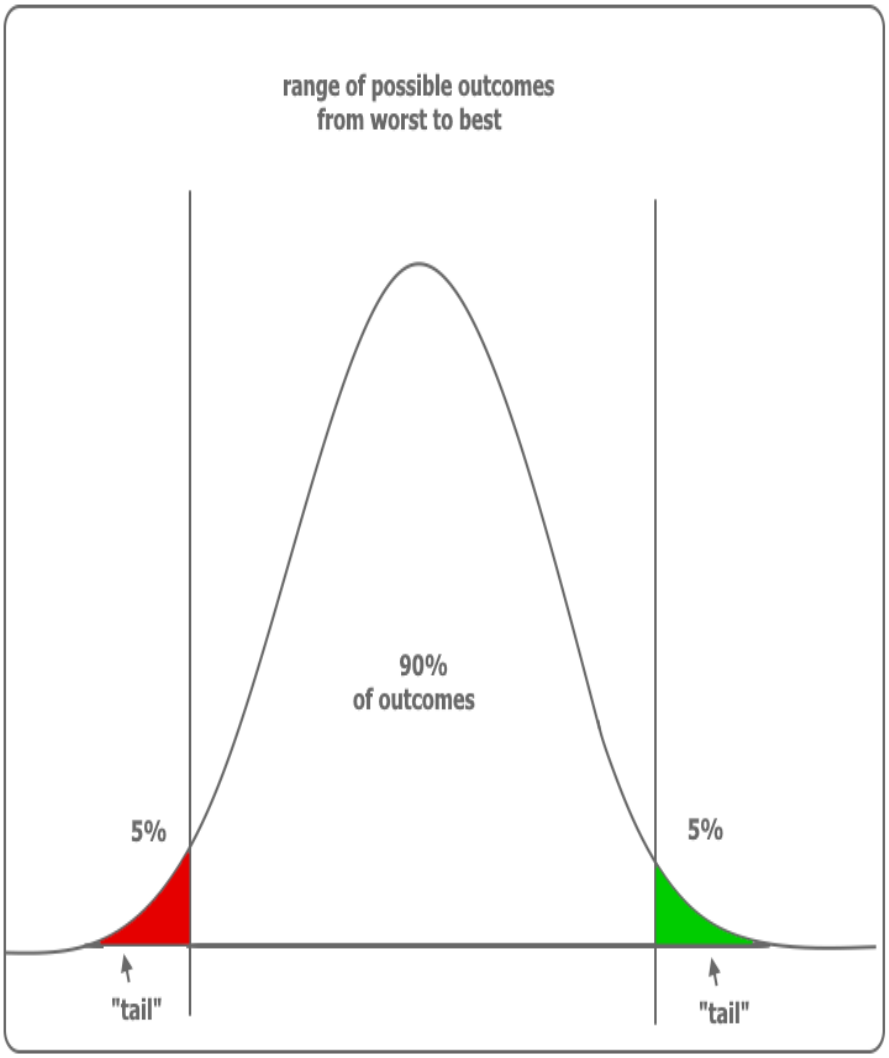
A message from John "Demo" Lender:

This is an example of the suite of **marketing tools** included in a subscription to MBS Live! This is an example of how your can co-brand business partners. Try these tools with a **free trial**.

Mortgage Rates Match Highest Level Since May 2024

The day began like many others over the past several weeks. Bonds hadn't moved much overnight, but were paying some attention to slightly higher oil prices. 10yr Treasury yields were still in the familiar September range between 4.93% and 5.01%, and there was limited economic data on tap that threatened to upset the apple cart.

Now let's talk about tail risk. It refers to a distribution of potential outcomes for something that can be reasonably forecasted with a margin of error. A vast majority of the outcomes fall in the main body of the parabolic distribution, but occasionally, an outcome will fall at one of the tails.





John "Demo" Lender

VP of Lending, Demo Mortgage Co.

mbslive.net
P: (704) 555-1212
M: (407) 555-1234

10014 Normal Blvd.
Charlotte NC 28044

NMLS: 123456

LOREM IPSUM
YOUR COMPANY SLOGAN



Christina "Demo" Realtor

Managing Partner, Real Estate Company, LLC.

mbslive.net
P: (704) 555-1212
M: (980) 555-1212
social+test@mbslive.net

12954 S. Broad St.
Charlotte NC 28031

REAL ESTATE

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

While this week's economic calendar is indeed very light, today's lineup included a report that can have a big impact on rates on very rare occasions. The results of that report were so much stronger than expected as to constitute "tail risk" territory.

This is a particularly bad time for such tail risk as far as the rate market is concerned. Only yesterday, we had Fed speakers reminding us that if the economy proved to be hotter than expected, the rate hike outlook shared at least week's Fed announcement would be "too low." Today's data immediately forced the market to consider the risk that next week's data (which is much more important) conveys a similarly strong message.

The result was a rapid shift in Fed rate expectations for next year. While longer term rates don't react to a Fed rate hike after the fact, they're more than willing to react to changes in rate hike expectations. 10yr Treasury yields jumped over 5.1% and the average top-tier 30yr fixed rate jumped 0.09% to 7.26%. This matches the high seen in early 2025. At this point, we'd have to go back to May 1, 2024 to see anything higher.



© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.