

MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

A message from Tan & Samantha Tunador:

If you are ready to explore homeownership, let's open up a conversation to help you navigate the best route for you with down payment & monthly payment options. Finance programs are unique like you and one size does not fit all. The next step is a simple online application so that we can get you preapproved and ready to look for the perfect home. Unlike shopping for a car or rental applications, the credit pull to buy a home is not a derogatory. Homeownership and wealth building is the goal for all. Would you like to schedule time to chat? If you are a Realtor, would you like this calculator co-branded?

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.



Tan & Samantha Tunador

VP | Sr Loan Officer Team,
Atlantic Coast Mortgage, LLC

www.TheTunadorGroup.com

P: (703) 919-5875

M: (703) 328-0628

tan@acmlc.com

10 W Market Street NW
Leesburg Virginia 20176

NMLS ID 1166669

NMLS ID 2408374



Samantha Tunador

Loan Officer, Atlantic Coast Mortgage

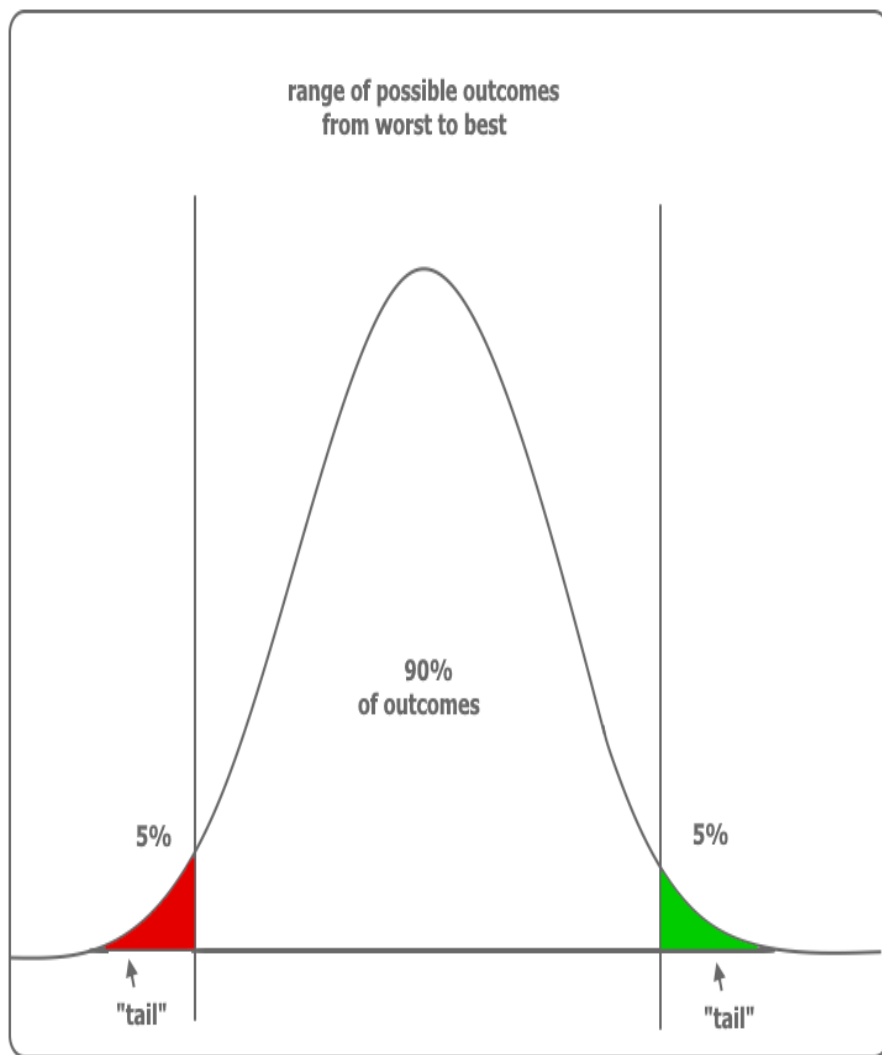
www.acmlc.com/samantha-tunador

P: (703) 919-5875

stunador@acmlc.com

NMLS#2408374





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 last 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.

