

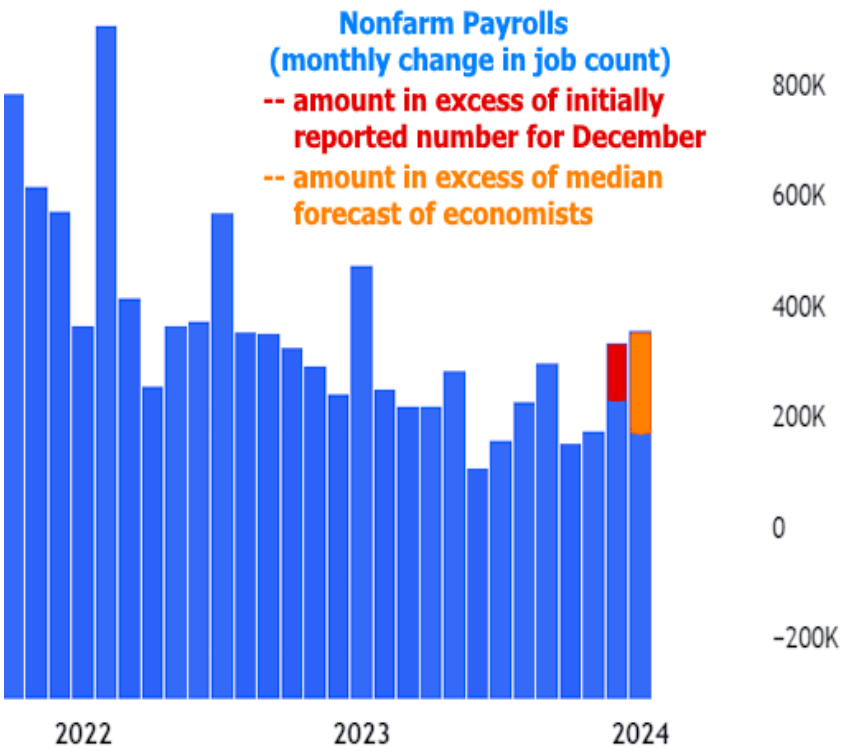
**Stewart Sadler**
Divisional Sales Manager, Neighborhood Loans
Company NMLS# 222982 NMLS# 147938
41 Marietta Street alpharetta, Georgia 30009

Office: 678-578-7605
Mobile: 404-441-4765
ssadler@neighborhoodloans.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

## National Average Mortgage Rates




| Mortgage News Daily | Rate | Change | Points |
|---|---|---|---|
| 30YR Fixed | 7.33% | -0.12 | 0.00 |
| 15YR Fixed | 6.89% | -0.10 | 0.00 |
| 30YR FHA | 6.95% | -0.10 | 0.00 |
| 30YR Jumbo | 7.44% | -0.06 | 0.00 |
| 7/6 SOFR | 6.81% | -0.19 | 0.00 |
| 30YR VA | 6.97% | -0.10 | 0.00 |

Rates as of: 11/20

## MBS and Treasury

| | Price / Yield | Change |
|---|---|---|
| MBS UMBS 6.0 | 99.51 | +0.41 |
| 10 YR Treasury | 4.9403 | -0.1033 |
| 30 YR Treasury | 5.3324 | -0.0738 |

Pricing as of: 11/20 5:59PM EST

## Recent Housing Data

| | | Value | Change |
|---|---|---|---|
| Mortgage Apps | Nov 11 | 199.8 | -2.35% |
| Building Permits | Oct | 1.3M | -7.5% |
| Housing Starts | Oct | 1.31M | +7.21% |
| New Home Sales | Sep | 676K | -1.17% |
| Pending Home Sales | Oct | 63 | -4.69% |
| Existing Home Sales | Oct | 3.99M | +0.25% |
| Builder Confidence | Nov | 25 | -13.79% |

© 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://mortgageratesweekly.com/cmg-teamsadler

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.

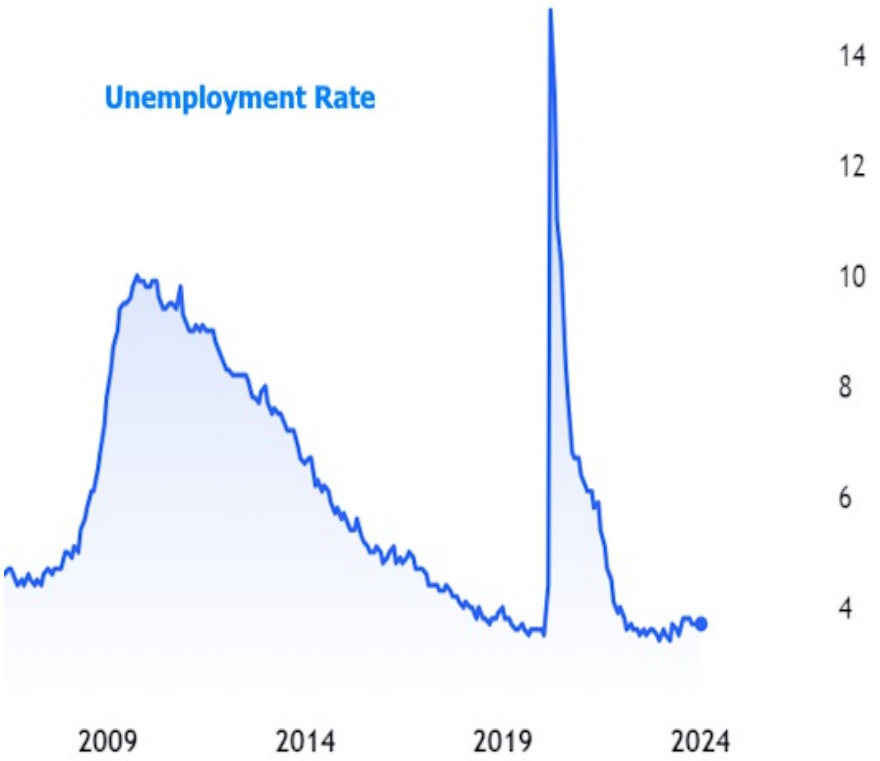
The BLS benchmark revision process is mind-numbingly arcane for most people who don't have a background in statistics. Unfortunately, the esoteric nature of the problem leaves lots of room for people without a background in statistics to come up with conspiracy theories.

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.

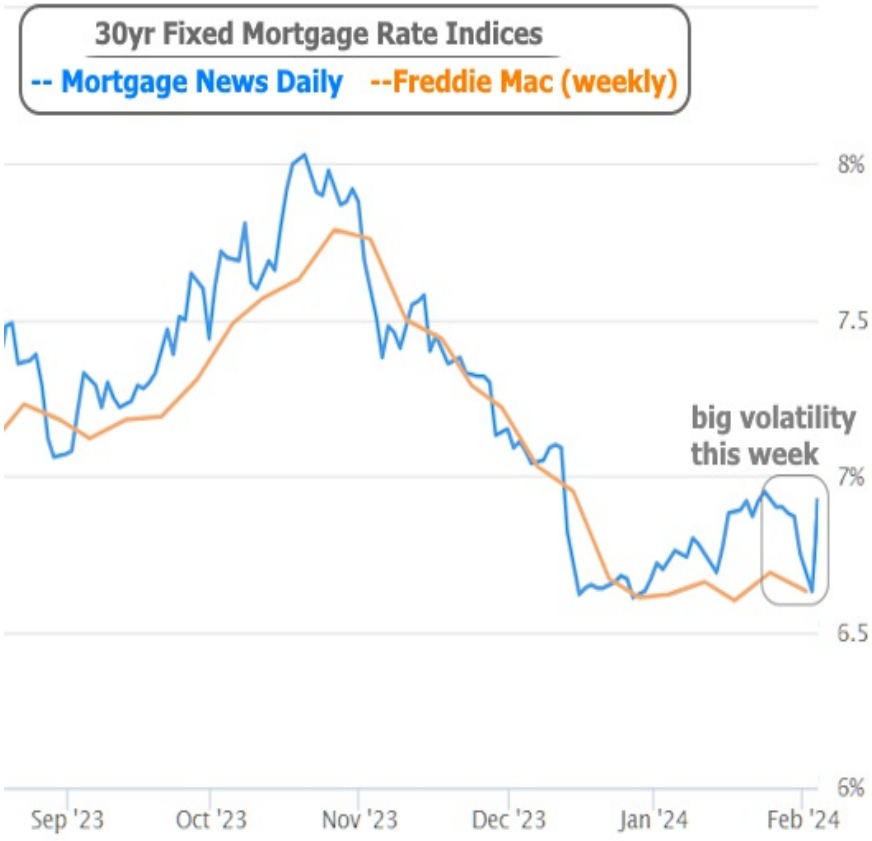
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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://mortgageratesweekly.com/cmg-teamsadler




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://mortgageratesweekly.com/cmg-teamsadler

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://mortgageratesweekly.com/cmg-teamsadler

## Recent Economic Data

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Monday, Jan 29** | | | | |
| 3:00PM | Treasury Refunding Financing Estimates (%) | | | |
| **Tuesday, Jan 30** | | | | |
| 9:00AM | Nov FHFA Home Prices y/y (%) | 6.6% | | 6.3% |
| 9:00AM | Nov CaseShiller 20 mm nsa (%) | -0.2% | | 0.1% |
| 9:00AM | Nov FHFA Home Price Index m/m (%) | 0.3% | | 0.3% |
| 9:00AM | Nov Case Shiller Home Prices-20 y/y (%) | 5.4% | 5.8% | 4.9% |
| 10:00AM | Dec USA JOLTS Job Openings | 9.026M | 8.75M | 8.79M |
| **Wednesday, Jan 31** | | | | |
| 7:00AM | Jan/26 MBA Purchase Index | 154.5 | | 174.3 |
| 7:00AM | Jan/26 MBA Refi Index | 445.6 | | 438.4 |
| 8:15AM | Jan ADP jobs (k) | 107K | 145K | 164K |
| 8:30AM | Treasury Refunding Announcement (%) | | | |
| 8:30AM | Q4 Employment costs (%) | 0.9% | 1% | 1.1% |
| 9:45AM | Jan Chicago PMI | 46 | 48 | 46.9 |
| 2:00PM | Fed Interest Rate Decision | 5.5% | 5.5% | 5.5% |
| 2:30PM | Fed Press Conference | | | |
| **Thursday, Feb 01** | | | | |
| 8:30AM | Jan/27 Jobless Claims (k) | 224K | 212K | 214K |
| 10:00AM | Jan ISM Manufacturing PMI | 49.1 | 47 | 47.4 |
| 10:00AM | Dec Construction spending (%) | 0.9% | 0.5% | 0.4% |
| **Friday, Feb 02** | | | | |
| 8:30AM | Jan Non Farm Payrolls | 353K | 180K | 216K |

## 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://mortgageratesweekly.com/cmg-teamsadler

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| 8:30AM | Jan Unemployment rate mm (%) | 3.7% | 3.8% | 3.7% |
| 10:00AM | Jan Consumer Sentiment (ip) | 79 | 78.9 | 69.7 |
| 10:00AM | Dec Factory orders mm (%) | 0.2% | 0.2% | 2.6% |
| **Monday, Feb 05** | | | | |
| 9:45AM | Jan S&P Global Services PMI | 52.5 | 52.9 | 51.4 |
| 10:00AM | Jan ISM N-Mfg PMI | 53.4 | 52 | 50.6 |
| 2:00PM | Loan Officer Survey | | | |
| **Tuesday, Feb 06** | | | | |
| 1:00PM | 3-Yr Note Auction (bl) | 54 | | |
| **Wednesday, Feb 07** | | | | |
| 1:00PM | 10-Year Note Auction | 4.093% | | 4.024% |
| **Thursday, Feb 08** | | | | |
| 8:30AM | Feb/03 Jobless Claims (k) | 218K | 220K | 224K |
| **Thursday, Apr 11** | | | | |
| 1:00PM | 30-Yr Bond Auction (bl) | 22 | | |




© 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://mortgageratesweekly.com/cmg-teamsadler