

Scott Kepler
Principal Broker, Mortgage Approval Group, LLC
NMLS 833792 Company NMLS# 1742769
2918 Busch Lake Blvd, Suite A Tampa, FL 33614

Office: 813.444.8537
Mobile: 813.565.0884
scott@scottkepler.com
View My Website

Mixed Signals About Housing and Economic Recovery

Coronavirus made for record-shattering movement in financial markets and economic data. With lockdowns ending, investors are eager to see improvements. Instead, they're finding plenty of mixed signals.

One of the **most basic** examples would be the relationship between stocks and bonds. Investors tend to buy stocks when the outlook is positive and buy bonds when the outlook is negative.

It was no surprise to see stocks fall abruptly as the pandemic's impact became clear in March. At the same time, bond yields (which move lower when investors are buying) were **plummeting**. In other words, stocks and bonds were trading **logically**.

Things got weird by mid-March. Yields inexplicably skyrocketed. The Fed stepped in with emergency bond buying, but markets were in full panic mode. At that point, both stocks and bonds were **losing** ground together (i.e. blue line moving higher and orange line moving lower on the following chart).

This was a big enough concern for the Fed that they drastically ramped up bond buying that same week and announced **massive stimulus** a few days later. Those two moves by the Fed reversed the weakness in **both** sides of the market. Since then, stocks have moved higher while bond yields have been able to remain mostly flat.

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.48%	-0.03	0.00
15YR Fixed	7.02%	-0.02	0.00
30YR FHA	7.05%	-0.03	0.00
30YR Jumbo	7.52%	0.00	0.00
7/6 SOFR	7.10%	-0.02	0.00
30YR VA	7.07%	-0.03	0.00

Rates as of: 11/17

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	98.88	+0.18
10 YR Treasury	5.0936	-0.0406
30 YR Treasury	5.4526	-0.0232

Pricing as of: 11/17 3:03PM EST

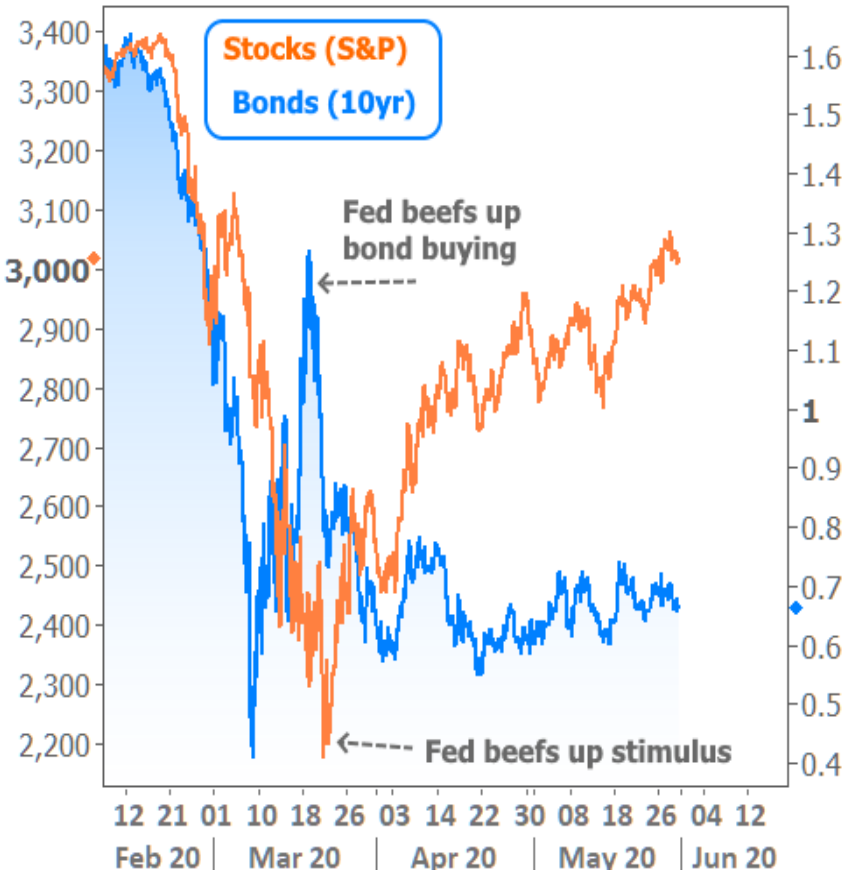
Recent Housing Data

		Value	Change
Mortgage Apps	Nov 4	204.6	+6.23%
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://mortgageratesweekly.com/scottkepler



The apparent mixed signal from stocks and bonds is actually the easiest to resolve in light of Fed intervention. Other parts of the bond market proved to be more puzzling.

Treasuries are the bonds issued by the US government when it needs/wants to borrow money. When other entities want to borrow money, they can issue bonds too. For those of us in the mortgage/housing market, the **most important example** of this would be the mortgage-backed bonds that serve as the foundation for mortgage rates.

In not so many words, they give investors a way to decide how profitable it is to lend money for the purpose of financing homes. Because of this, they are directly and strongly correlated with mortgage rate movement--at least they were until coronavirus.

For reasons we've discussed ad nauseum, mortgage rates diverged from mortgage bonds by **unimaginable** levels in March and April. As things have calmed down in the mortgage market, the gap has been closing, but we're still historically very far from normal. The following chart shows actual movement in mortgage rates compared to the movement implied by mortgage bonds.

© 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/scottkepler



Does this chart mean that mortgage rates are **destined to fall into the 2% range?** Not exactly. For that to happen, mortgage bonds would need to remain at current levels--a feat likely dependent on a weaker economy than most of us would like to see. If the economy improves at a strong pace, that orange line should rise to meet the blue line. In that scenario, the blue line might not move very much lower.

Additionally, coronavirus has created considerations for the mortgage market that could result in a semi-permanent gap between the two. That means the orange line could begin to push the blue line higher **even before** they run into each other. Something like this, perhaps:

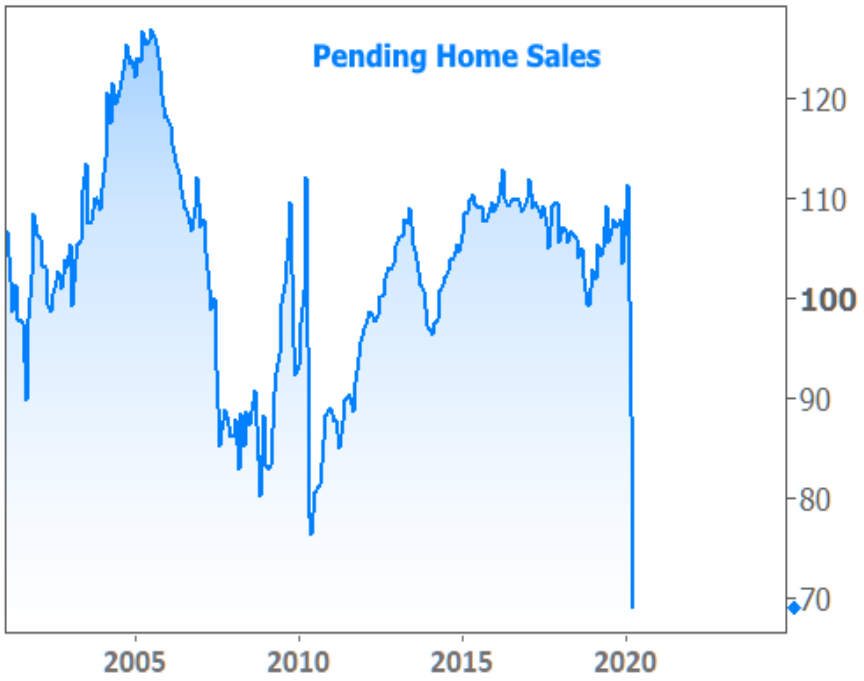
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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/scottkepler



Even if rates **don't** move significantly lower, they've been plenty low enough to fuel a refi boom and provide assistance to a recovery in home sales numbers (as we discussed last week). Now this week, newly-released Pending Home Sales numbers are saying **"not so fast"** to the idea that the worst is over for the housing market.



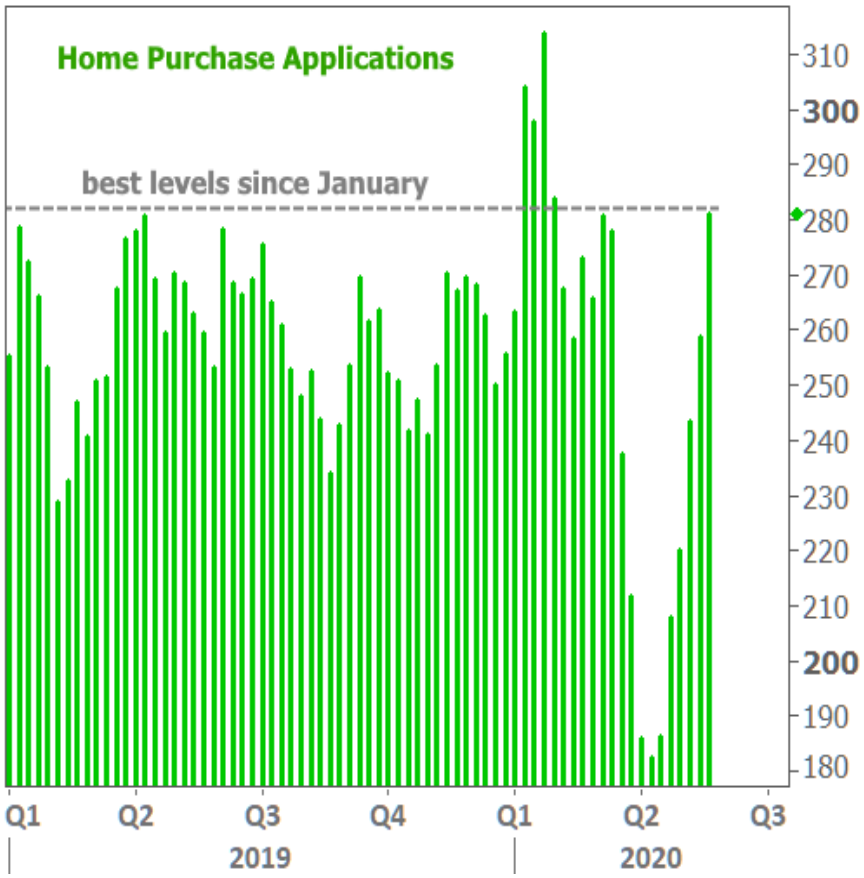
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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/scottkepler

This definitely isn't an upbeat chart for the housing market, but it's not entirely unexpected. Economists figured April's pending sales would decline by 15%, and the official tally ended up being 21.8%. We also know there's a lag involved in the reporting of home sales data, and that lag means the data for this report was gathered at the worst possible time. **Translation:** this isn't a housing market in freefall, but rather, one that's preparing to find bottom.

More timely data confirms that claim. In fact, according to the Mortgage Bankers Association, applications for home purchases were at their highest levels since January last week. Incidentally, those January levels were the **ONLY** time purchase apps have been higher since before the financial crisis.



Before you get too terribly excited about this chart, it's worth mentioning that Pending Home Sales data includes **cash** buyers and those who are financing outside of typical mortgage channels. The purchase application data only counts those applying for mortgages.

There are several past examples where Pending Sales have diverged greatly from purchase application data. Because of that, the **jury is still out**--to some extent--on the strength and certainty of a housing market bounce.

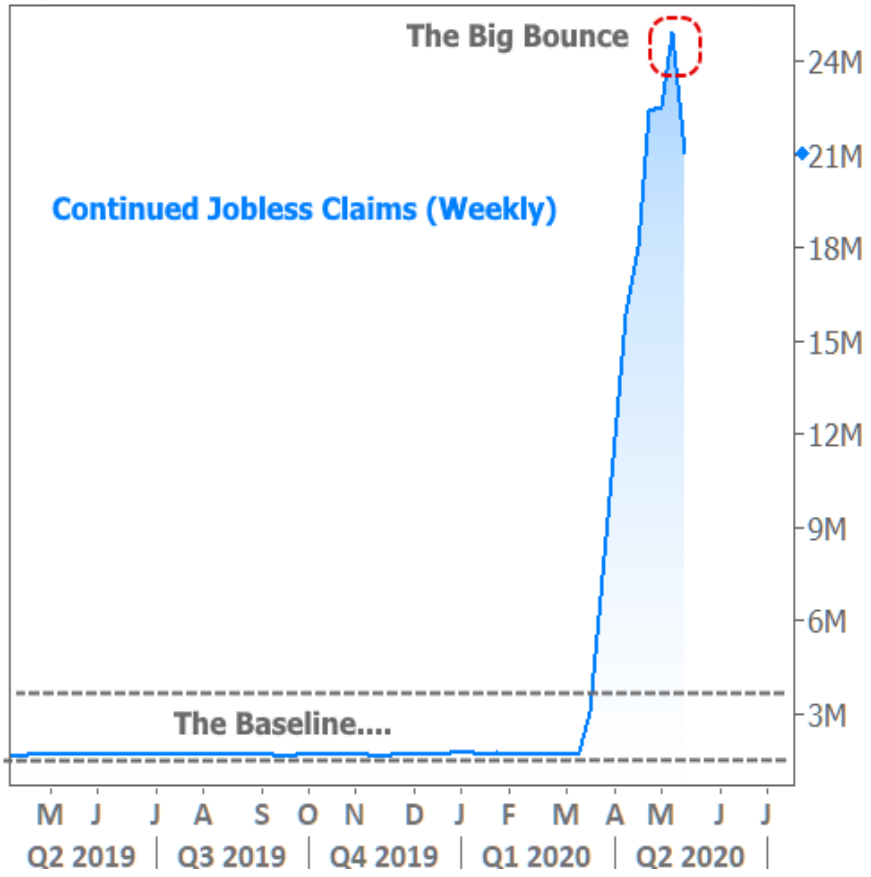
We do have **one very big thing going for us:** the market was healthy, happy, and improving up until coronavirus. As opposed to 2009-2011 when a throng of buyers remained unsure about the housing market, this time around, the throng of buyers is simply on hold because they have to be, and they'll be glad to jump back in the market as soon as they can.

Of course, much of this depends on the ability of the economy to **restore jobs** to the millions who remain out of work. This week's Jobless Claims data provided the first glimmer of hope there as the number of workers filing for ongoing unemployment claims dropped by nearly 4 million. That could certainly be the big bounce, but we knew that was coming. So much of what happens next for the economy depends on how well and how quickly we return to the baseline.

© 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/scottkepler



Subscribe to my newsletter online at: http://mortgageratesweekly.com/scottkepler

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Tuesday, May 26				
9:00AM	Mar CaseShiller 20 yy (%)	+3.9	3.4	3.5
9:00AM	Mar Monthly Home Price yy (%)	5.9		5.7
10:00AM	May Consumer confidence	86.6	87.5	86.9
10:00AM	Apr New home sales-units mm (ml)	0.623	0.480	0.627
10:00AM	Apr New home sales chg mm (%)	0.6	-21.9	-15.4
1:00PM	2-Yr Note Auction (bl)	44		
Wednesday, May 27				
7:00AM	w/e MBA Purchase Index	281.2		258.9
7:00AM	w/e Mortgage Refinance Index	3466.2		3474.1
1:00PM	5-Yr Note Auction (bl)	45		
Thursday, May 28				
8:30AM	Q1 GDP Prelim (%)	-5.0	-4.8	-4.8
8:30AM	Apr Durable goods (%)	-17.2	-19.0	-14.7

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/scottkepler

Date	Event	Actual	Forecast	Prior
8:30AM	w/e Jobless Claims (k)	2123	1800	2438
8:30AM	w/e Continued jobless claims (ml)	21.052	25.750	25.073
10:00AM	Apr Pending Home Sales (%)	-21.8	-15.0	-20.8
10:00AM	Apr Pending Sales Index	69.0		88.2
1:00PM	7-Yr Note Auction (bl)	38		
Friday, May 29				
8:30AM	Apr Core PCE Inflation (y/y) (%)	1.0	1.1	1.7
9:45AM	May Chicago PMI	32.3	40.0	35.4
10:00AM	May Consumer Sentiment (ip)	72.3	74.0	73.7
Monday, Jun 01				
10:00AM	Apr Construction spending (%)	-2.9	-6.5	0.9
10:00AM	May ISM Manufacturing PMI	43.1	43.6	41.5
Wednesday, Jun 03				
7:00AM	w/e MBA Purchase Index	296.0		281.2
7:00AM	w/e Mortgage Refinance Index	3166.7		3466.2
8:15AM	May ADP National Employment (k)	-2760	-9000	-20236
10:00AM	May ISM N-Mfg PMI	45.4	44.0	41.8
10:00AM	May ISM N-Mfg Bus Act	41.0	34.0	26.0
10:00AM	Apr Factory orders mm (%)	-13.0	-14.0	-10.3
Friday, Jun 05				
8:30AM	May Non-farm payrolls (k)	2509	-8000	-20537
8:30AM	May Unemployment rate mm (%)	13.3	19.8	14.7

© 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/scottkepler

We're here to help with all home mortgage needs.

With over 20 years of mortgage industry experience, Scott Kepler has helped thousands of families to purchase or refinance their homes. As a Mortgage Lender, Scott and his team are able to give families access to a variety of home loan options; after all, no two situations are the same.

Give Scott and his team a call today for a Free Mortgage Check-Up or Purchase Home Loan Pre-Qualification.

Offering financing for:
First Time Home Buyer
Conventional (Fannie Mae/Freddie Mac)
FHA
VA
USDA
Jumbo
Reverse
Renovation
Self Employed
Home Equity Loans/Lines of Credit
Credit Challenged / Alt-A
Investor or Second Home
Hard Money
Small Commercial

Scott Kepler 

© 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/scottkepler