

Tom Banducci
Branch Manager / Sr. Loan Advisor,
Cornerstone First Mortgage
NMLS #290222
315 Montgomery St. Suite 933 San Francisco, CA

Mobile: 415.606.7850
tbanducci@cfmtg.com
View My Website

How The Election and The Fed Impacted Rates

Mortgage rates spent the entire month of October moving higher at a fairly quick pace. Some of that had to do with stronger economic data, but at least as much had to do with the bond market (bonds dictate rates) adjusting to election probabilities. As we've been advising in recent weeks, the consensus was that a Trump victory (or improved odds thereof) was associated with upward pressure on rates.

The bond market left no doubts on election night as Treasury yields spiked well before any news team was anywhere close to confirming a winner. Notably, various betting sites underwent similar shifts simultaneously. The following chart shows overnight movement in 10yr Treasury yields, which tend to move like mortgage rates over time.



It's impressive and telling that yields hit levels by 10:40pm ET that were right in line with where they would go on to end the following trading day. This was not a matter of financial markets guessing or speculating. It was a

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.30%	+0.03	0.00
15YR Fixed	6.91%	-0.01	0.00
30YR FHA	6.95%	+0.04	0.00
30YR Jumbo	7.45%	-0.07	0.00
7/6 SOFR	6.71%	+0.01	0.00
30YR VA	6.97%	+0.05	0.00

Rates as of: 11/3

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.95	+0.20
10 YR Treasury	4.9492	-0.0211
30 YR Treasury	5.3275	-0.0043

Pricing as of: 11/4 10:31AM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 21	195	+3.39%
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/tom-banducci

reflection of their efficiency and their constant quest to operate on the fastest possible timeline with the greatest possible precision.

Note: this doesn't mean we should always count on markets to predict the future. There are plenty of examples of similar scenarios where the market encounters a surprise and is forced to make a rapid correction. This time around, things just happened to unfold largely in line with expectations.

What about the "red sweep?"

One of the more dire expectations as far as interest rates are concerned was that both chambers of congress would end up with GOP majorities. Full control by either political party coincides with higher rates, all other things being equal. As of Friday evening, control of the House remains undetermined--a fact that has played a role in helping rates recover a bit after the election night spike.

The following chart shows a longer term view of Treasury yields with the early October jobs report reaction for context. Note the relatively linear move higher in rate throughout the month, culminating in the final surge on election night and a return to 4.30% afterward.



Even if the GOP wins full control, it would be by a narrow enough margin to create uncertainty about some of the policy-related headwinds that interest rates might contend with in the coming year.

What's next for rates then?

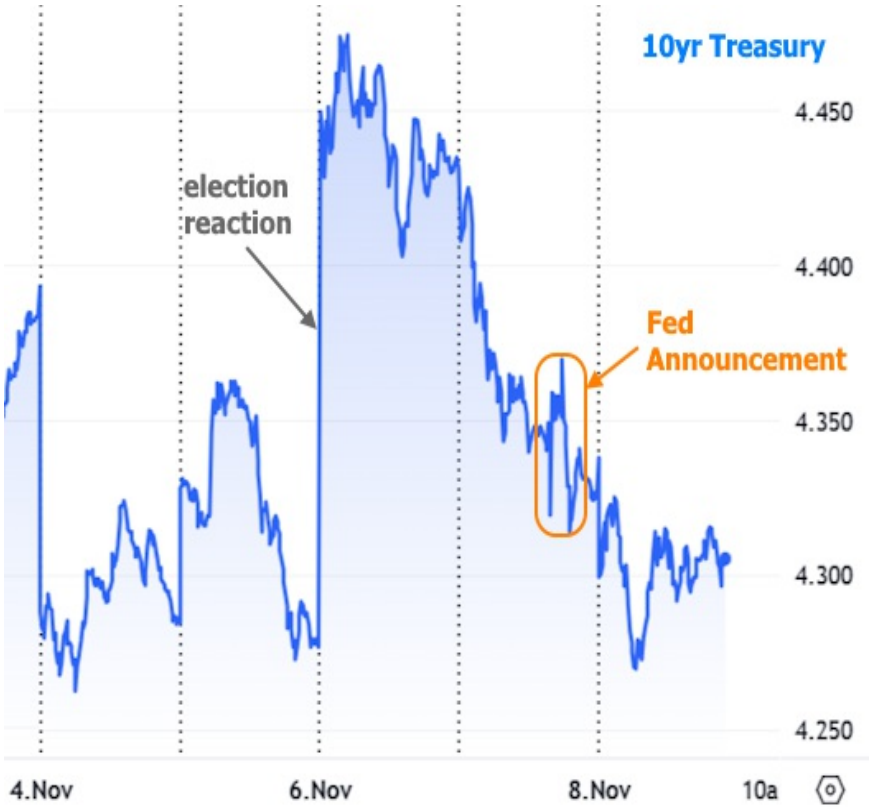
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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/tom-banducci

Policy aside, rates will continue paying attention to economic data and inflation--a fact that was reinforced in Thursday's Fed announcement. As expected, the Fed cut its policy rate by 0.25%. There was essentially no reaction in longer term rates--at least not due to the Fed itself.

Longer term rates were already in the process of moving lower after the big surge on election night. In other words, it wasn't the Fed!



What about mortgage rates specifically?

Mortgage rates may have moved lower on Fed day, but it had nothing to do with the Fed (see the chart above to understand how entrenched the bond market correction was by the time the Fed announcement came out).

Mortgage rates actually bounced back more than Treasuries. The simplest reason has to do with expectations of increased Treasury issuance in the future. Treasuries are used to fund government spending. More issuance means higher rates, all other things being equal. Specifically, if tax policy creates a revenue shortfall, the US government pays for it with Treasuries. While Treasuries are similar in movement to mortgage rates, the latter are based on mortgage backed securities (not something the government can issue to fund operations).

As has been and continues to be the case, it is good to remember that market response to the election can be different from the market movement that occurs during the ensuing administration for a variety of reasons. The 2016 election was the best recent example. Rates spiked in 2017 and 2018 only to fall back to pre-election levels by the end of 2019. Long story short, rates will be determined by the economy and actual changes in Treasury issuance. Fiscal policy will have a bearing--possibly a big one--but not the final say.

Coming up next week...

© 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/tom-banducci

US Housing Market Weekly

November 8, 2024

The upcoming week brings several important economic reports with the two headliners being the Consumer Price Index (CPI) and the Retail Sales report. CPI is a key inflation metric and there's been some recent concern that inflation isn't going as quietly into the good night as some may have hoped. If this report shows monthly inflation metrics falling back in line with the friendlier numbers seen in the summer months, it could help rates continue to establish a ceiling after the recent surge.

Financial markets will be closed on Monday for the Veterans Day holiday.

Subscribe to my newsletter online at: http://mortgageratesweekly.com/tom-banducci

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Tuesday, Nov 05				
10:00AM	Oct ISM N-Mfg PMI	56	53.8	54.9
10:00AM	Oct ISM Services Employment	53.0	48.0	48.1
10:00AM	Oct ISM Services Prices	58.1	58.0	59.4
Wednesday, Nov 06				
7:00AM	Nov/01 MBA Purchase Index	130.8		137.8
7:00AM	Nov/01 MBA Refi Index	513.5		630.0
Thursday, Nov 07				
8:30AM	Nov/02 Jobless Claims (k)	221K	221K	216K
8:30AM	Oct/26 Continued Claims (ml)	1892K	1880K	1862K
2:00PM	Fed Interest Rate Decision	4.75%	4.75%	5%
2:30PM	Fed Press Conference			
Friday, Nov 08				
10:00AM	Nov Consumer Sentiment (ip)	73.0	71	70.5
10:00AM	Nov Sentiment: 1y Inflation (%)	2.6%	2.7%	2.7%
Monday, Nov 11				
12:00AM	Veterans Day			
Wednesday, Nov 13				
8:30AM	Oct y/y CORE CPI (%)	3.3%	3.3%	3.3%
8:30AM	Oct m/m CORE CPI (%)	0.3%	0.3%	0.3%
Thursday, Nov 14				
8:30AM	Oct Core Producer Prices YY (%)	3.1%	3%	2.8%
8:30AM	Nov/09 Jobless Claims (k)	217K	223K	221K
8:30AM	Oct Core Producer Prices MM (%)	0.3%	0.3%	0.2%
3:00PM	Fed Chair Powell Speech			
Friday, Nov 15				
8:30AM	Oct Retail Sales (%)	0.4%	0.3%	0.4%
8:30AM	Nov NY Fed Manufacturing	31.20	-0.7	-11.90
9:15AM	Oct Industrial Production (%)	-0.3%	-0.3%	-0.3%

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/tom-banducci

The Right Advice Is What Saves You Money

A Mortgage is a financial tool. The right tools help you build. At Cornerstone First, my tool belt is filled with many different tools so I can say "Yes" to more clients and referral partners.

Tom Banducci 

© 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/tom-banducci