

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

Why Rates Almost hit 7.5% This Week, And Is The Worst Over?

At 9:44am ET on Wednesday, this week's rate story was mostly about waiting for next week's economic data. At 9:45, an unlikely report made the wait a lot more uncomfortable.

The report was S&P Global's preliminary Purchasing Managers' Indexes, or PMIs. They measure business activity in manufacturing and services, and they almost never have a major impact on rates. This time, both readings blew past expectations by the widest margins in years and reached their highest levels in years. Companies also reported input costs rising at the fastest pace in nearly 4 years, with selling prices and Employment picking up as well.



Data compiled Septemebr 23, 2026.
PMI (Purchasing Managers' Index) 50 = no change on prior month.
Source: S&P Global PMI.
© 2026 S&P Global.

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	100.00	+0.25
10 YR Treasury	4.9435	-0.0268
30 YR Treasury	5.3232	-0.0086

Pricing as of: 11/4 10:12AM EST

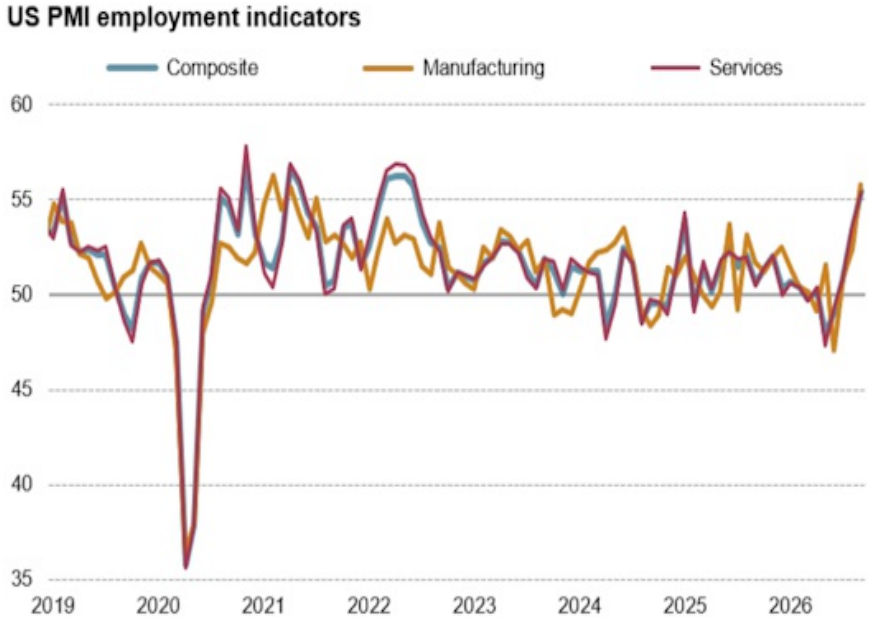
Recent Housing Data

		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.

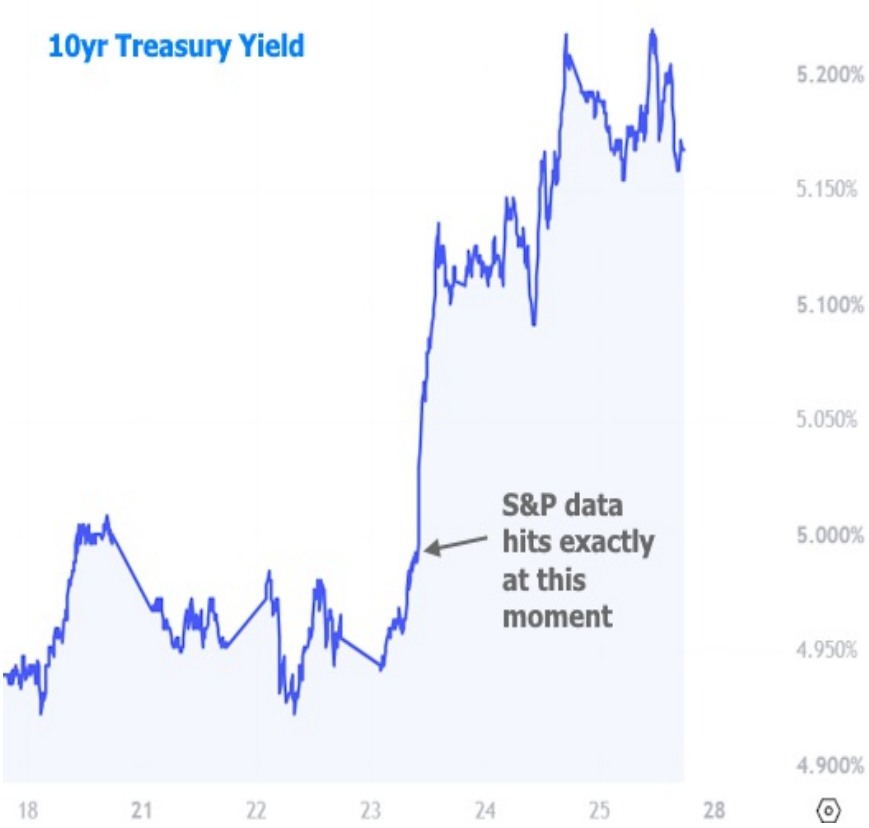
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesweekly.com/tom-banducci



Data compiled September 23, 2026.
PMI (Purchasing Managers' Index) 50 = no change on prior month.
Source: S&P Global PMI.
© 2026 S&P Global.

Bond traders began selling as soon as the numbers came out. The 10yr Treasury yield jumped through 5%, and the selling continued well beyond that first reaction. This was the week's only economic report with any plausible connection to next week's much more consequential ISM surveys, job openings report and monthly jobs report.



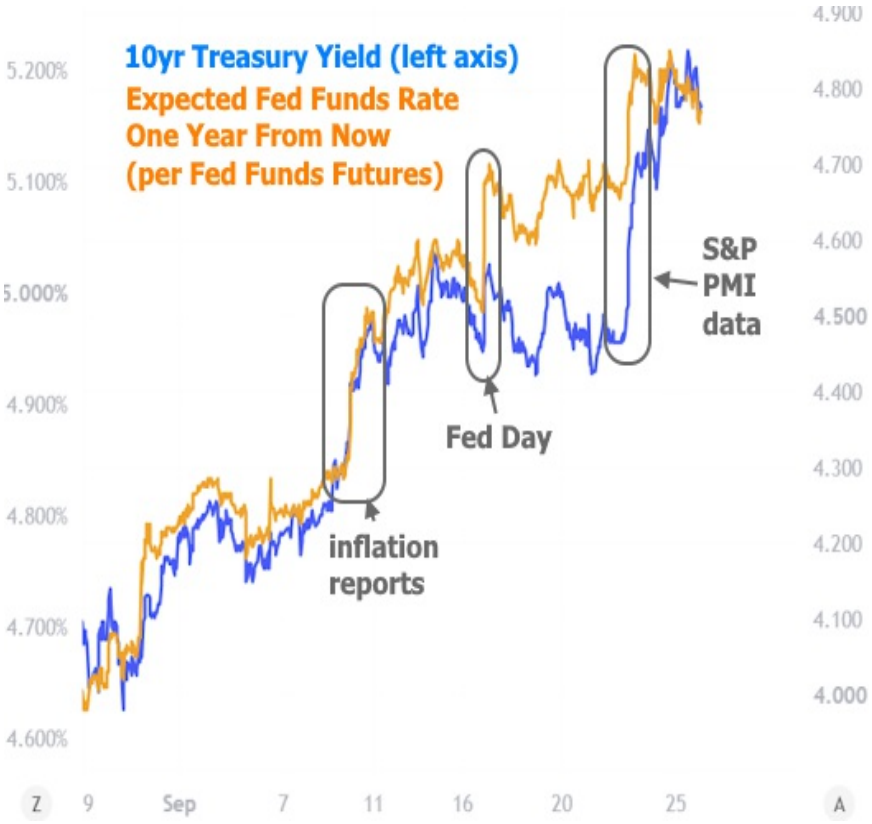
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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

So why did the market suddenly care about a report it usually shrugs off? In short, last week's Fed meeting had traders on the edge of their seats. After Fed Chair Kevin Warsh's press conference suggested more hikes were coming, traders began worrying that the market was behind the curve in terms of pricing in the potential policy path. Since then, several Fed officials have suggested that the recently updated rate outlook could prove too low if the economy keeps strengthening or inflation turns out to be driven more by demand. Wednesday's PMI pushed on both of those nerves at once because it raised the risk that next week's econ data (the reports that REALLY matter) could be similarly strong.

What followed was what we refer to as a **repricing of the rate outlook**: a sudden, widespread rethink of how many Fed hikes might be needed and how soon, marked by sharply higher bond yields and mortgage rates. It's essentially a Pandora's Box of upward pressure on rates with self-sustaining momentum that can last several days without any new justification.



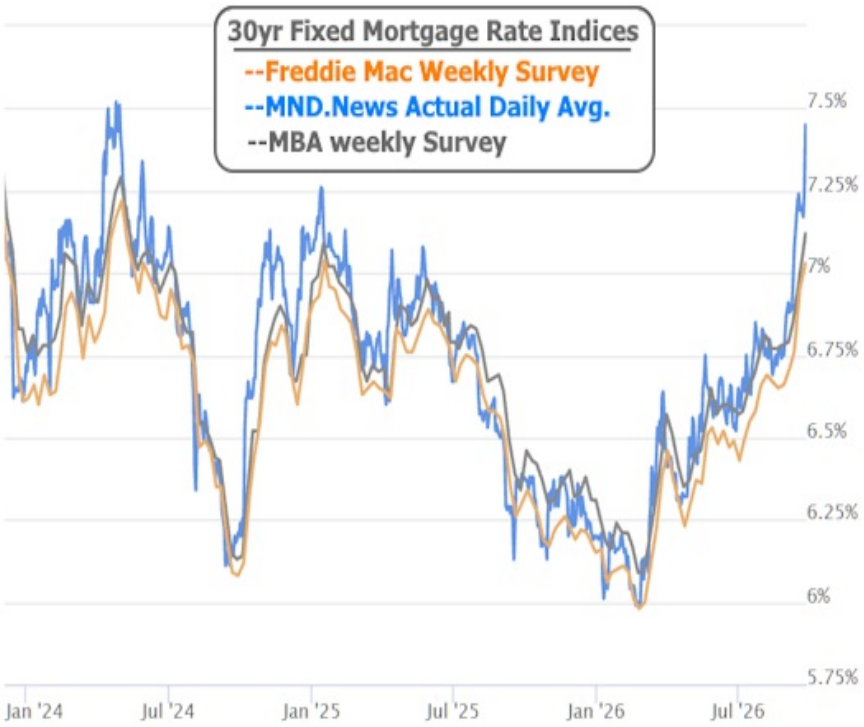
In the current case, the repricing phenomenon played out on Wednesday and Thursday. Friday brought a semblance of bond market recovery, but it required a fairly sharp drop in oil prices. Mortgage rates were initially reluctant to take the bond market's cues and they actually started the day even higher. Thankfully, by the end of the day, a series of updates from mortgage lenders (which came out much later than normal) brought the average just under Thursday's latest levels.

While that's a victory for Friday afternoon, rates still ended the week up roughly a quarter point versus last 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



Next week will help determine whether this week's scramble was a false alarm or an early warning. Oil and war headlines still matter, but the market's most pressing question is whether economic data makes the case that the Fed's latest rate forecast is already out of date.

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

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Wednesday, Sep 23				
7:00AM	Sep/18 MBA Purchase Index	154.9		156.2
7:00AM	Sep/18 MBA Refi Index	611.0		627.1
9:45AM	Sep S&P Global Composite PMI	58.4		56
9:45AM	Sep S&P Global Manuf. PMI	57	53.6	53.9
9:45AM	Sep S&P Global Services PMI	58.7	56	56.5
Thursday, Sep 24				
8:30AM	Sep/19 Jobless Claims (k)	197K	201K	196K
10:00AM	Aug New Home Sales (ml)	0.684M	0.62M	0.607M
Friday, Sep 25				
8:30AM	Aug Durable goods (%)	0%	-0.4%	1.1%
8:30AM	Aug Core CapEx (%)	1.6%	0.5%	0.2%
Tuesday, Sep 29				
9:00AM	Jul FHFA Home Prices y/y (%)	2.6%		2.3%
9:00AM	Jul Case Shiller Home Prices-20 y/y (%)	2.5%	2.2%	2.1%

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

Date	Event	Actual	Forecast	Prior
10:00AM	Aug USA JOLTS Job Openings (ml)	7.079M	7.23M	7.271M
10:00AM	Sep CB Consumer Confidence (%)	81.9	89.2	89.4
Wednesday, Sep 30				
8:15AM	Sep ADP jobs (k)	90K	70K	38K
8:30AM	Aug PCE prices (m/m) (%)	0.3%	0.4%	0.2%
8:30AM	Q2 GDP (%)	2.2%	1.5%	2.5%
8:30AM	Aug Core PCE (y/y) (%)	3%	3.3%	3.3%
9:45AM	Sep Chicago PMI	58.8	51.2	47.1
Thursday, Oct 01				
8:30AM	Sep/26 Jobless Claims (k)	197K	200K	197K
10:00AM	Sep ISM Manufacturing PMI	54.5	55	54.6
10:00AM	Aug Construction spending (%)	0.9%	0%	-0.5%
Friday, Oct 02				
8:30AM	Sep Non Farm Payrolls (k)	29K	90K	162K
8:30AM	Sep Unemployment rate mm (%)	4.2%	4.1%	4.1%

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