Mid Valley Financial
Mortgage Banker, Since 1985
Broker CA DRE#01206057 | NMLS ID#219418
7644 N. Palm Avenue Fresno, CA 93711

Office: (559) 432-8221
Mobile: (559) 432-8221
info@mvloans.com
View My Website

Here's Why You Can't Trust The News When it Comes to Stocks and Interest Rates

It's been all over the news in October, and before then in February: rising rates are causing heavy stock losses! The bigger the stock losses, the more rates get blamed. To some extent, and for some investors, that may be true, but it sure wasn't true this week.

This week was all about stocks, and if they were going to take any solace from lower rates, they had ample opportunity. Sell-offs of this size are almost always multifaceted issues. So while we can't say that investors **weren't** thinking about rates, we **can** certainly say that the average investor was thinking a lot more about other things.

Ranking those "other things" isn't too important for our purposes today (most would put corporate earnings at the top of the list, if you're curious). What's important is that stocks had a **big** impact on interest rates.

It actually **makes a lot more sense** for a big stock sell-off to have a direct effect on interest rates. As money flees the stock market, it needs a home--a safe haven in which to weather the storm. The bond market typically soaks up at least some of that safe-haven demand, and higher demand for bonds means lower rates.

The extent to which investors choose the bond market as that safe haven varies greatly. The following charts will examine this phenomenon. First, let's take a look at just how highly correlated stocks and bonds were this week.

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

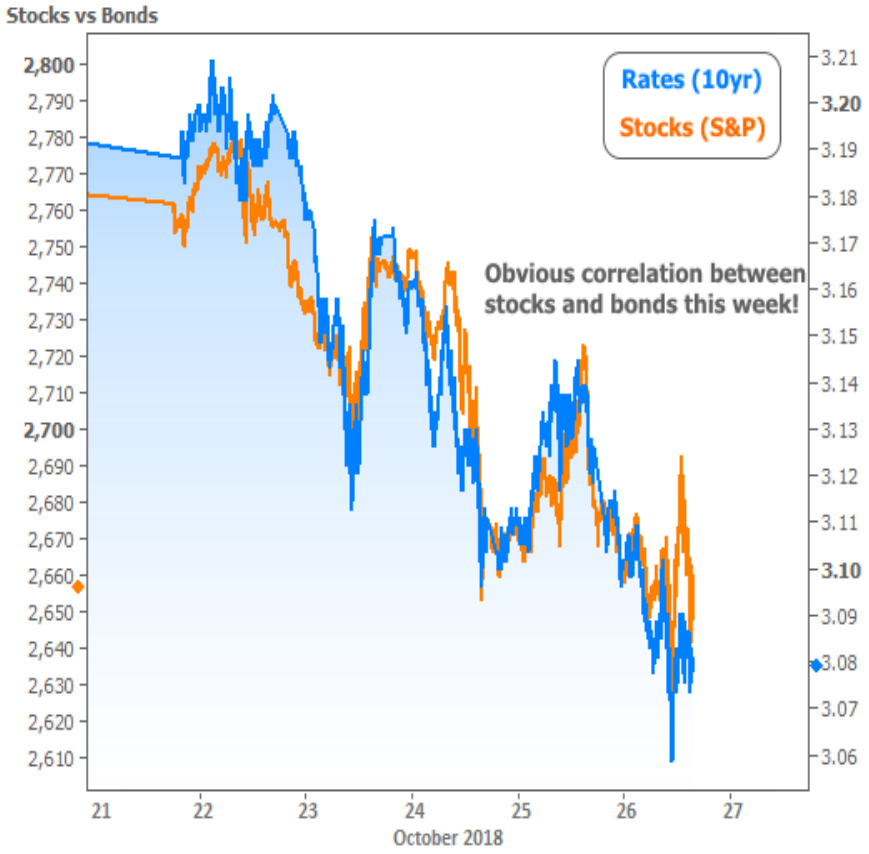
Recent Housing Data

		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%

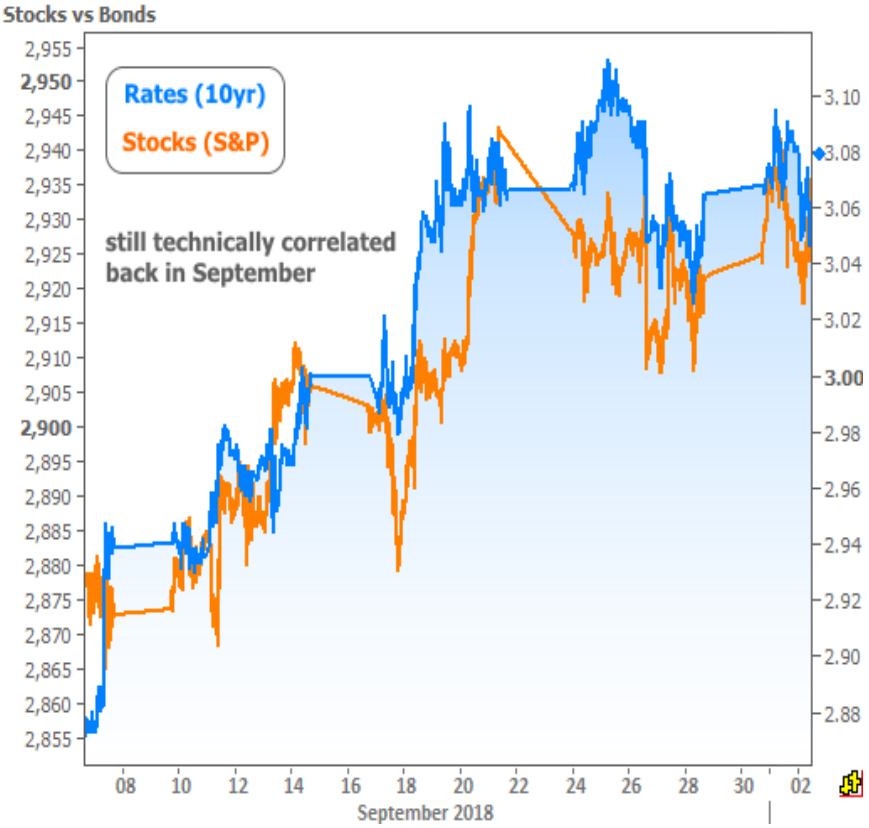
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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://housingne.ws/mvloans



Even when stocks and bonds **aren't** moving in relatively perfect unison like this, it's still fairly common to see general correlation. The entire month of September was a fairly good example.



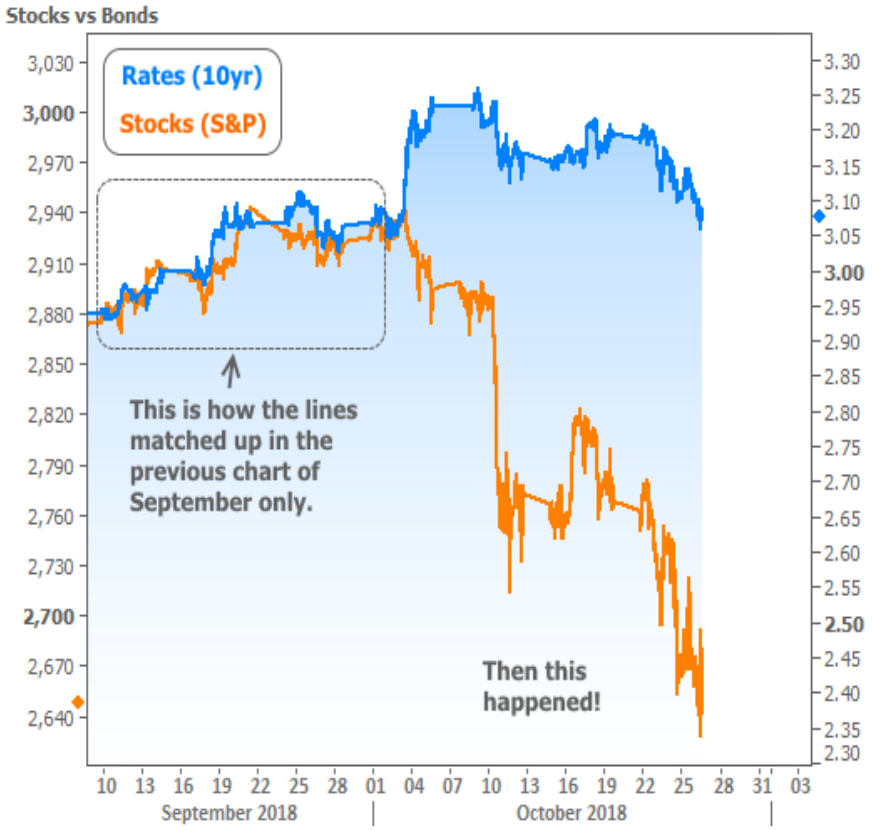
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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://housingne.ws/mvloans

But the September chart raises an important question: **what is correlation** when it comes to stocks and bonds? If the two lines are moving in the same direction over a certain amount of time, they're technically "correlated" during that time. But this says nothing of **magnitudes**.

To illustrate this point, consider that the y-axis is very different for the two charts above. This past week has seen **nearly double** the movement in stocks, but roughly the same in bonds. That alone tells us the magnitude of the correlation is different, but **let's visualize it!** To do that, we can "lock in" the correlation seen back in September and then zoom out to see everything that's happened since then.



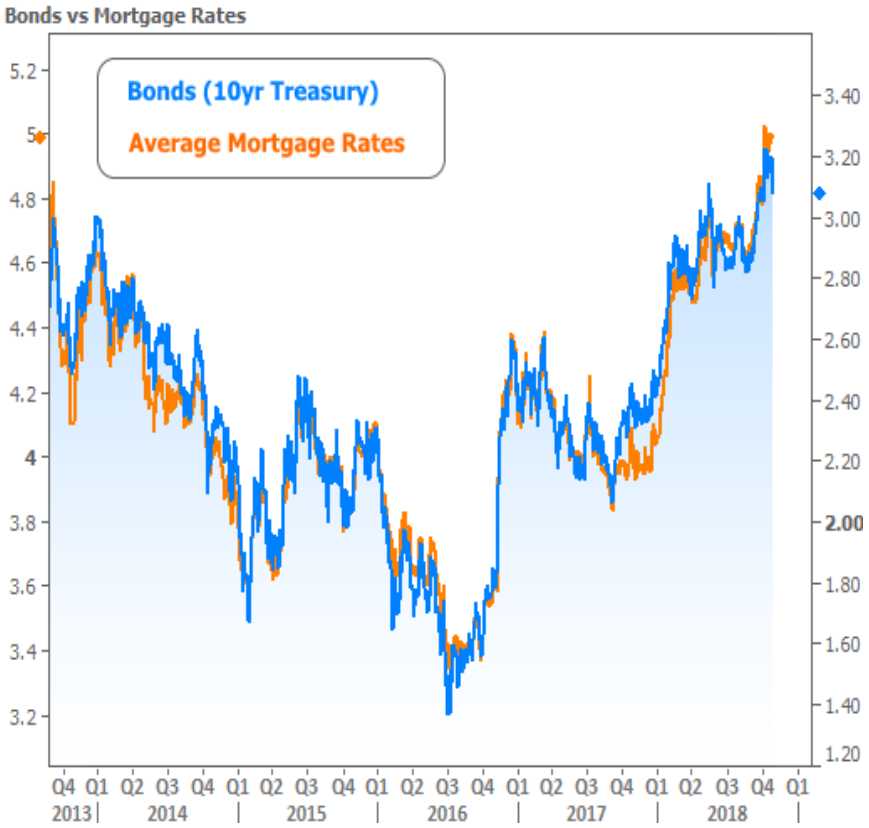
If you look closely, you can see the correlation is still there (i.e. rates are moving lower when stocks are tanking), but the **magnitude** of the correlated moves varies immensely. The **implication** is that it will take heavy stock losses on an ongoing basis if we're to see even a moderate drop in interest rates from here.

One extra layer of complexity comes from the relationship between the rates implied by Treasury yields (seen in the chart above), and those that actually make their way onto mortgage lenders' rate sheets. Don't worry, the correlation here is infinitely more well-behaved over time. Case in point:

© 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://housingne.ws/mvloans

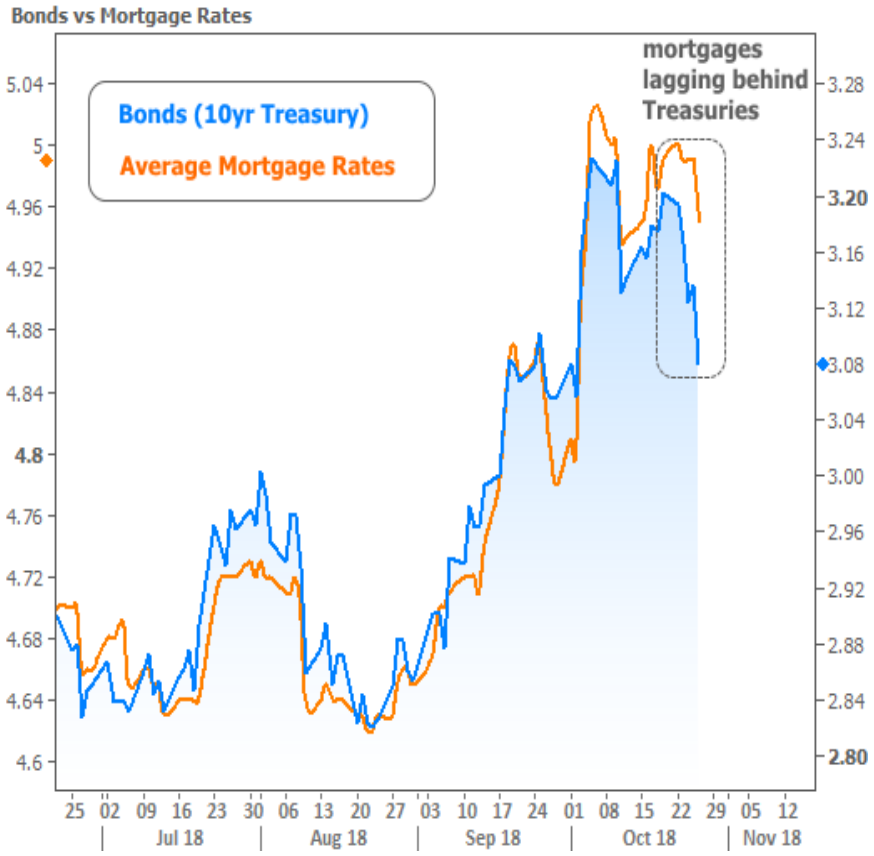


That said, it can definitely take mortgage rates **some time to get caught up** with more abrupt movement in the broader bond market. Although mortgage rates did fall nicely on Friday, they didn't move nearly as much as 10yr Treasury yields over the course of the week. The **implication** is that if next week begins with stability in bond market, mortgage rates could continue to close this gap in a favorable way.

© 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://housingne.ws/mvloans



In **housing specific news** this week, there were two key reports. The first--New Home Sales--was a bit gloomy. It moved below its supportive trend of growth for the first time in several years.



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

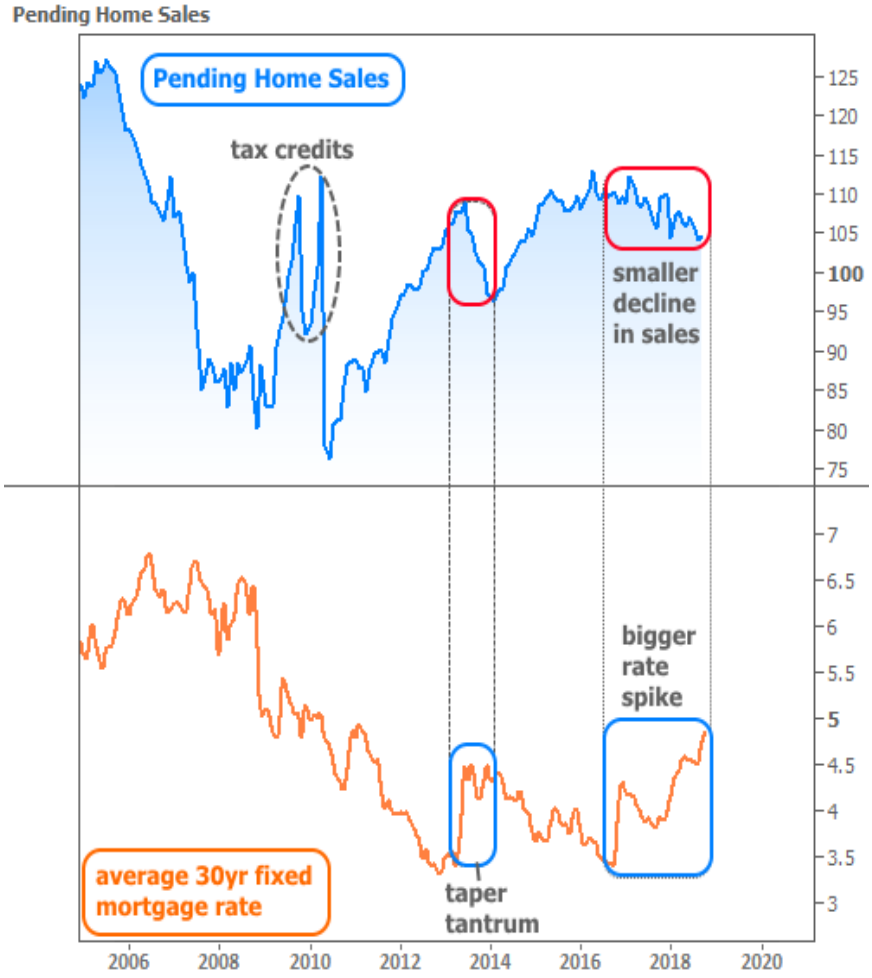
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial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

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans

Mitigating the gloom is the fact that this is a historically volatile set of data that's often revised. Beyond that, if housing numbers are leveling-off, we should **expect** uptrends like the one seen in the chart above to be broken in favor of more sideways momentum.

The other housing report was not only more timely (it deals with new purchase **contracts** as opposed to **finalized** sales), but also more upbeat. The National Association of Realtors Pending Home Sales Index increased for September, thus suggesting stronger Existing Home Sales in October.

In addition to the modest gains, there's a **hidden message** about the housing market's resilience in the chart. Simply put, mortgage rates have now risen much more overall, and to much higher levels than they did in 2013's taper tantrum, yet the corresponding drop in Pending Home Sales is significantly smaller. Bottom line: this doesn't look like a housing market that is interested in panicking.



Subscribe to my newsletter online at: http://housingne.ws/mvloans

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Wednesday, Oct 24				
7:00AM	w/e MBA Purchase Index	228.4		224.0
7:00AM	w/e Mortgage Refinance Index	919.6		838.1

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://housingne.ws/mvloans

Date	Event	Actual	Forecast	Prior
9:00AM	Aug Monthly Home Price yy (%)	+6.1		6.4
10:00AM	Sep New home sales chg mm (%)	-5.5	-1.4	3.5
10:00AM	Sep New home sales-units mm (ml)	0.553	0.625	0.629
10:30AM	w/e Crude Oil Inventory (ml)	6.346	3.694	6.490
Thursday, Oct 25				
8:30AM	Sep Durable goods (%)	0.8	-1.0	4.4
8:30AM	w/e Jobless Claims (k)	215	215	210
10:00AM	Sep Pending Sales Index	104.6		104.2
10:00AM	Sep Pending Home Sales (%)	+0.5	-0.1	-1.8
Friday, Oct 26				
8:30AM	Q3 GDP Advance (%)	3.5	3.3	4.2
10:00AM	Oct U Mich 1Yr Inf Final (%)	2.9		2.8
10:00AM	Oct U Mich Sentiment Final (ip)	98.6	99.0	99.0
10:00AM	Oct U Mich 5-Yr Inf Final (%)	2.4		2.3
Monday, Oct 29				
8:30AM	Sep Core PCE (y/y) (%)	+2.0	2.0	2.0
8:30AM	Sep Personal Income (%)	+0.2	0.3	0.3
Tuesday, Oct 30				
9:00AM	Aug CaseShiller 20 yy (%)	+5.5	5.8	5.9
10:00AM	Oct Consumer confidence	137.9	136.0	138.4
Wednesday, Oct 31				
7:00AM	w/e MBA Purchase Index	224.9		228.4
7:00AM	w/e Mortgage Refinance Index	884.2		919.6
8:15AM	Oct ADP National Employment (k)	227	189	230
8:30AM	Q3 Employment Wages qq (%)	0.9		0.5
9:45AM	Oct Chicago PMI	58.4	60.0	60.4
Thursday, Nov 01				
8:30AM	Q3 Productivity Preliminary (%)	2.2	2.2	2.9
8:30AM	w/e Jobless Claims (k)	214	215	215
10:00AM	Oct ISM Manufacturing PMI	57.7	59.0	59.8
10:00AM	Sep Construction spending (%)	0.0	0.1	0.1
Friday, Nov 02				
8:30AM	Oct Non-farm payrolls (k)	250	190	134
8:30AM	Oct Unemployment rate mm (%)	3.7	3.7	3.7
8:30AM	Sep International trade mm $ (bl)	-54.0	-53.6	-53.2
9:45AM	Oct ISM-New York index	831.9		822.0
10:00AM	Sep Factory orders mm (%)	0.7	0.5	2.3

© 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://housingne.ws/mvloans

Who is Mid Valley Financial?

Since 1985, Mid Valley Financial has been a trusted partner for complex real estate financing solutions. We specialize in handling unique and challenging loan scenarios, including those with non-traditional income or asset documentation. Our expertise in hard money and private money lending offers quick funding and flexible terms for real estate investors, business owners, and agricultural operators. Whether you need funds for purchasing, renovating, or refinancing properties, our experienced team is here to help.

Beyond hard money lending, we offer a comprehensive suite of competitively priced home loan options, including conventional, FHA, VA, and jumbo loans. So whether you are a first-time homebuyer, looking to secure the family estate or vacation property, or have unique financial circumstances, our experienced team can help you find the best solution.

Our commitment to exceptional customer service and innovative financing solutions has made us one of the leading direct lenders and mortgage brokers in the California real estate market. With a proven track record of success and a focus on building long-term relationships, we're here to help you achieve your financial goals.

Mid Valley Financial MVF

EQUAL HOUSING LENDER

EQUAL HOUSING OPPORTUNITY

© 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://housingne.ws/mvloans