

MARKET UPDATE · MONDAY, OCTOBER 26, 2026

# The 10-Year broke below 5%

Friday closed at 4.999% and Monday has held the ground, but the week ahead carries the two events most likely to undo it.

WHAT THIS ACTUALLY MEANS

The 10-Year finally closed under 5% on Friday and has edged lower since. The full payment on a \$525,000 home is about \$3,452 a month — roughly \$12 less than Thursday, and \$79 a month cheaper than it was right after the inflation report two weeks ago. Enjoy that with one eye open: the Federal Reserve decides on rates Wednesday and its preferred inflation measure lands Thursday, so this week can move either way.

|                                                                                                                                                                                   |                                                                                                                                                                                   |                                                                                                                                                                                                          |                                                                                                                                                               |
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| <div>10-YEAR TREASURY</div> <div>4.9739% ▼</div> <div>Friday closed at 4.999%, under the line</div> <div>Mortgage rates track this bond. It is at its best level in months.</div> | <div>THE 5% LINE</div> <div>Broken ▼</div> <div>the level we were watching last week</div> <div>A barrier traders watch. Getting under it gives rates room to fall further.</div> | <div>FED DECISION</div> <div>Wednesday</div> <div>raise again, or hold — genuinely too close to call</div> <div>The Fed sets the rate banks lend to each other, which pulls everything else along.</div> | <div>MBS</div> <div>+2 bps ▲</div> <div>after Friday finished down 12 bps</div> <div>The bonds that fund mortgages. Flat today, holding Friday's gains.</div> |
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## What moved

- Friday was a fight the bond market did not quite win. MBS ended down 12 bps, but the 10-Year still closed at 4.999% — under the 5% level for the first time in a while.
- Monday opened steady. MBS were flat at the bell and the 10-Year slipped a little further to 4.986%.
- By mid-morning MBS were up 2 bps and the 10-Year had eased to 4.9801%, with the move now being driven by technical trading rather than news.
- As the update went out the 10-Year sat at 4.9739%. Bob expects it to stay near these levels until the Federal Reserve speaks on Wednesday.

## What is driving this

The two events that decide this week.

| LEVEL             | ORIGIN                 | STATUS                                    |
|-------------------|------------------------|-------------------------------------------|
| Fed decision      | Wednesday              | another quarter point, or patience        |
| PCE inflation     | Thursday               | the measure the Fed actually watches      |
| Big tech earnings | 36% of the S&P reports | more selling there has been helping bonds |
| Oil               | tied to the war        | still the main driver of inflation        |

Two things worth separating. The improvement so far came largely from money leaving technology shares for the safety of bonds, and that support is already easing as stocks recover. Against that, Wednesday's Federal Reserve decision is a genuine coin toss between another quarter-point rise and holding steady, and Thursday brings the inflation measure the Fed pays most attention to. A good week could extend this; a bad one could erase it quickly.

## What that rate costs at other prices

|                                              |                                              |                                              |                                              |
|----------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|
| <div>\$450K</div> <div>\$2,976 a month</div> | <div>\$525K</div> <div>\$3,452 a month</div> | <div>\$600K</div> <div>\$3,928 a month</div> | <div>\$700K</div> <div>\$4,563 a month</div> |
|----------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|

Monthly payment with 20% down, including Clark County property tax and insurance. Principal and interest only would be lower.

## What it means for you

IF YOU'RE BUYING

- The full payment on a \$525,000 home is about \$3,452 a month — \$12 less than Thursday, and \$79 a month below where it sat after the October inflation report.
- This is the best pricing in months, and two events this week could move it sharply either way. If you are close to ready, it is a week to be talking to your lender rather than watching.
- Nobody knows which way Wednesday goes — the market itself is split. Treat anyone who tells you confidently with caution.

IF YOU'RE SELLING

- Buyers can afford meaningfully more than they could two weeks ago, which usually shows up as better showing traffic before it shows up in offers.
- If your listing has been sitting since the early-October rate jump, this is the week some of those buyers come back to look.
- Hold off on reacting to Wednesday until it happens. Pricing decisions made on a guess about the Fed tend to age badly.

**Week ahead** — Federal Reserve decision Wednesday, PCE inflation Thursday, and a heavy run of corporate earnings throughout. This is the busiest week for rates in some time.

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Figures summarised from the daily market update by Bob Hailey, Branch Manager, New American Funding (NMLS# 290893). Levels move intraday and are shown as of Monday, October 26, 2026; this is not a rate quote or an offer to lend. Ivan Nykyforets is a licensed real estate broker, not a mortgage professional — for financing, speak with a licensed loan officer.