

Mortgage Rates Fight The Urge To Move Higher

Mortgage rates recovered to some extent today, after moving slightly **higher** on Friday and yesterday. The bond market (which underlies rate movement) was surprisingly resilient (good for rates) even as stock prices moved up roughly 1%. Rising stock prices frequently coincide with rising bond yields in the shortest of terms. In other words, it's more common to see rates move higher on a day like today.

Credit the Fed for much of the resilience. Not only is the central bank continuing to purchase Treasuries and mortgage-backed bonds. They were also out in force today offering broad reassurance about their commitment to continue providing support for financial markets as the economy battles back against coronavirus. Combine that with unacceptably high covid numbers in several states and the we're left with **economic headwinds** on one hand and **Fed support** on the other.

Fed bond buying and economic headwinds are both **good** for rates. As such, it's **no surprise** to see mortgage rates continue at or near all-time lows. Most lenders are able to offer top tier 30yr fixed rates under 3.0% although that depends heavily on the scenario.



Matt Graham
Founder and CEO, MBS Live

