MORTGAGE RATE WATCH
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Mortgage Rates Back Up To Pre-Election Levels

Mortgage rate movement had been very calm relatively resilient compared to the broader bond market. In other words, mortgages have been doing better than US Treasuries. The 10yr Treasury yield is frequently used as a bellwether for mortgage rate movements and it's moved up roughly 0.30% since the beginning of October. Mortgage rates were roughly in line with early October levels as of yesterday, despite rising fairly abruptly. Not bad!

Over the course of the past few days, 10yr yields are **up roughly 0.2%**. This time around, the mortgage market **hasn't** been able to avoid taking its lumps with the average lender now quoting 30yr fixed rates that are 0.125% higher compared to last Thursday.

This leaves rates in territory that's **still great** by historical standards, but the sharp nature of the move raises questions about where we go from here. For the time being, traders are being cautious when it comes to the bond market. That means the average mortgage rate follower should be cautious as well (i.e. favoring locking over floating). This will change when we see bond traders step in with a clear show of support--one that helps solidify a ceiling over recently rising rates. Best case scenario: it's already taking shape before 10yr yields have a chance to break up and over 1.0% (currently at .96%). Worst case... well, we'll cross that bridge if we come to it. Suffice it to say rates could go a bit higher for a bit longer before their next big rally.

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