

# MORTGAGE RATE WATCH

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## Surprisingly Calm Day For Mortgage Rates

Last week, trial results from Pfizer's covid vaccine sent shockwaves through financial markets. Stock prices and bond yields both moved decisively higher. In general, higher bond yields coincide with higher mortgage rates. Last week was no exception, but the mortgage market definitely has much more insulation than normal against bond market weakness. That means big spikes in Treasury yields have translated to smaller spikes in mortgage rates.

Nonetheless, higher rates are higher rates, so it made sense to expect another reaction to this morning's deja vu moment when Moderna's vaccine trial results were even better than Pfizer's. For a moment, it seemed like logic would prevail. Bonds lost ground at first, but quickly found their footing. After a few hours, both Treasuries and mortgage bonds (and consequently, mortgage rates) were back to Friday afternoon's levels.

That keeps the average top tier 30yr fixed conventional quote well under 3%--especially for purchases.



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