

MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

Mortgage Rates Catch Up To Last Week's Market Movement (That's a Good Thing)

Mortgage rates moved moderately lower today despite an absence of significant movement in the bond market. In general, when bonds improve, rates fall (and vice versa), but it's not feasible for mortgage lenders to adjust their rates offerings in relative real-time as bonds can send massively mixed signals on any given day.

Last Friday was just such a day. It began with bonds doing very **poorly**. The weakness was in place before the average lender published their first rate sheet of the day, so mortgage rates started out higher. As the day progressed, bonds improved enough for many lenders to make mid-day improvements to rates, but bonds suggested the improvements should have been bigger.

That's where today came in. Bonds began weaker yet again, **but not nearly** to the same extent seen on Friday. As the day progressed, the situation improved. By avoiding a regression into Friday's weaker territory, this morning's bond market pricing invited lenders to offer slightly lower rates. Furthermore, as bonds additional headway in the afternoon, lenders were reassured enough to offer mid-day price improvements that take the average conventional 30yr fixed scenario back to the best levels since last Wednesday.



Gregory Pavlich

President, Resource
Mortgage Corp

www.rmcboulder.com

P: (303) 444-1200

M: (303) 717-1359

1221 Pearl St
Boulder CO 80302