

# MORTGAGE RATE WATCH

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## Mortgage Rates Fall Moderately For 2nd Day in a Row

When it comes to financial markets and mortgage rates, things rarely happen in straight lines. Each time rates spiked to new multi-year highs in recent weeks, they've managed to find a day or two of reprieve. Today was the second day of one such instance of reprieve.

Examples of consecutive days of improvement are rare in recent months--especially since early March. During that time, and despite the periodic improvements, rates have spiked faster than almost any other 5 week period.

Nonetheless, the good days that follow the bad days always raise questions about how much longer the trend of mostly bad days will last. While we can know that they won't last forever, and while we can even say that the probability of topping out increases with each new spike, predictions are tricky business--especially when they concern the future!

What we do know is that inflation is tremendously important to the rate outlook right now, and yesterday's inflation data indicated a promising shift. Today brought new inflation data which argued the opposite case, but thankfully, it was in a far less relevant report compared to yesterday. And even then, the bond market continued to improve for most of the morning hours.

Bonds reversed course in the afternoon, as if to remind us that the road to recovery will be anything but smooth. This resulted in many lenders re-pricing to slightly higher rates in the afternoon.



**Matt Graham**

Founder and CEO, MBS Live

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