

MORTGAGE RATE WATCH

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Rates Start High, But Improved Significantly By The Afternoon

2022 has been the year of **volatility** for mortgage rates with most of the swings resulting in successive runs to long-term highs. Every now and then, however, rates have a good day. Today was one of those days.

This wasn't necessarily destined to be the case right from the start, however. In the early hours of the morning, 10yr Treasury yields (a general source of guidance for the bonds that dictate mortgage rates) hit their **highest** levels in years (3.203%). All other things being equal, this suggested that mortgage rates should start the day near their highest levels in years as well. Indeed they did! But things began to change shortly thereafter.

The bond market began to **improve** right at the start of domestic trading day. Sharp losses in stocks and oil prices combined with a stronger dollar and friendly comments from Fed speakers to spark strong buying demand for bonds. When traders are buying more bonds than they're selling, bond prices rise and rates fall.

By the afternoon, bonds had moved enough for mortgage lenders to re-issue rates for the day. The average lender improved by **almost an eighth of a percent** for conventional 30yr fixed scenarios.



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