

# MORTGAGE RATE WATCH

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## Mortgage Rates Moving Up to Start New Week

Mortgage rates are coming off their best 2 weeks in quite some time--a feat that sounds more impressive than it is by the time we consider the precursors. Namely, the improvement in rates was heavily dependent on vastly bigger movement in the stock market. Stocks and rates don't always move in unison, but when stocks fall enough, it can indicate that investors are seeking safer havens for cash (i.e. moving away from risk).

A stock sell-off is never a sustainable foundation for momentum toward lower rates. Not only that, but we also know that such momentum will require inflation data to turn lower, and that will take time. As such, it was no surprise to see rates grow hesitant to fall any more than they already had by last Thursday. It was also no surprise to see them begin to move back up with today's bounce in the stock market.

Those movements are far from extreme just yet, but mortgage lenders could have a slightly bigger adjustment to make tomorrow morning based on the timing of today's movement in the bond market (bonds dictate rates, and late day bond movement doesn't always translate to immediate changes in mortgage rates across the board).



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