

MORTGAGE RATE WATCH

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Winning Streak Comes to an End For Mortgage Rates

As of last Friday, mortgage rates had enjoyed 3 of their best weeks in a long time. Sure, there were caveats that argued against celebrating the gains as evidence of a broader reversal, but they were nonetheless a welcome change of pace in an otherwise atrocious year for rate momentum.

With the start of the new week, that change of pace appears to be changing. After moving down by more than 3/8ths of a percent in the past 3 weeks, rates jumped by at least an eighth of a percent today. It's worth noting that, because rates are based on movement in the bond market, and because overseas bond markets were closed yesterday, rates are really getting caught up with 2 days of global market movement (thus making today seem a bit more abrupt than it otherwise would have been).

As for global markets, high inflation in Europe and the easing of covid-related lockdowns in China both took a toll on bonds. Beyond that, there's the simple notion of the caveats mentioned above. In other words, we were increasingly expecting to see rates settle into more of a volatile, sideways range. Today's jump could be early confirmation of the shifting of those gears.



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