

# MORTGAGE RATE WATCH

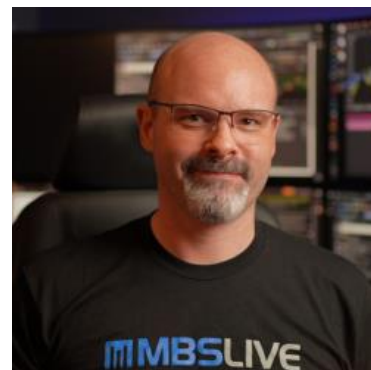
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## Mortgage Rates Unchanged to Slightly Higher

Mortgage rates experienced one of their calmest days of the past few weeks with the average lender roughly unchanged from yesterday. Rates are based on bonds, and the underlying bond market has increasingly been hunkering down before a big potential day on Thursday. Why big? It's all about CPI.

The newest installment of the Consumer Price Index (CPI) will be released at 8:30am on Thursday morning. This scheduled economic data has had more power than any other economic report to cause volatility in the bond market in 2022. If inflation remains high or moves higher, rates will likely surge back up to (or above) the 20-year highs seen at the end of October. If inflation decelerates, rates are likely to move in the other direction.

Nothing else on tap for this week has been in the same league as CPI when it comes to rate movement potential. That is part of the reason the rate market has been less volatile on the first three days of the week: it knows it will likely be making a much bigger move and is just waiting to find out which direction.



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