

MORTGAGE RATE WATCH

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Mortgage Rates Little-Changed to Start Holiday-Shortened Week

Mortgage rates made their biggest recent move (and their biggest single day move ever) 2 Thursday's ago after a key report showed inflation was lower than expected in October. There has been some jockeying for position among various mortgage lenders since then, but remarkably little change to the average 30yr fixed rate which is once again in the mid 6% range.

Barring an unforeseen shock, the same trend is set to continue in the 3.5 business days of the current week. The Thanksgiving holiday makes for some of the slowest trading days of the year in the bond market. That's especially true for the mortgage-backed securities that directly dictate mortgage rates.

The caveat to lower volume and lighter participation is that any major imbalances in buying/selling demand (think "lower/higher rates") tend to result in bigger moves than they otherwise would. Lenders offset this risk of unjustified volatility by setting rates slightly higher than they otherwise would be.

Even if this week were 100% normal, we'd still be waiting on the next installment of the CPI report (the aforementioned "key report" on inflation) on December 13th and the next Fed announcement on December 14th for the next major rate cue.



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