

MORTGAGE RATE WATCH

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Rates Near 1-Month Highs After Hitting Longer-Term Lows a Few Days Ago

What a difference a few days have made for mortgage rates, and in this case, not a good difference. The average lender was offering the lowest rates in more than 3 months as of last Thursday. Now 3 business days later, we're close to the highest levels in a month.

Fortunately, the preceding paragraph--while true--is also about as dramatically worded as possible. A chart of longer term rate movement shows the middle of last week marked a quick improvement from the recent baseline with the past 2 days taking rates back to that baseline.



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The net change has been roughly 0.25% from the lows to today's highs. The culprit was a poorly received monetary policy move in Japan that sent shockwaves throughout global markets. This isn't the sort of thing that's likely to have an ongoing impact on US rates in the short term.

Moreover, the impact was bigger than it otherwise would have been due to the time of year. In other words, unexpected market movers cause more movement than normal in the 2nd half of December. Fewer trades and traders mean the unexpected news represents a bigger portion of the day's trading motivations.