

MORTGAGE RATE WATCH

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Mortgage Rates Move Modestly Lower

Mortgage rates are primarily determined by the bond market, and it's been an uneventful week for bonds! That means we haven't seen much of a change in mortgage rates relative to the changes frequently seen over the past year.

Bonds began the day in slightly stronger territory before losing ground following comments from the Bank of Canada's top official. This isn't to say that the Bank of Canada is a major source of inspiration for the US bond market. Rather, it was simply the most relevant news available to traders today. Also, when a major foreign central bank does or says anything that's obviously significant in its respective jurisdiction, the effects tend to reverberate among other major central banks, but to a lesser extent.

All that to say that interest rates faced some upward pressure in the middle of the day. Mortgage lenders didn't see enough weakness to make any big changes to their rate offerings, but some of them delayed offering price improvements until the afternoon. Those improvements were eventually made possible by a recovery in bonds.

Keep in mind that all of these "improvements" referenced above are basically microscopic in the bigger picture. The average lender is right in line with yesterday's rates for the most part, but technically a bit lower if we're splitting hairs. Borrowers would likely see the same note rate as yesterday but with slightly lower upfront costs, depending on the lender (and whether that lender offered a good price improvement yesterday afternoon, which many did).

The easiest way to frame today's movement would be to say this afternoon's rates are about as low as we've seen this week but not as low as last week.



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