

# MORTGAGE RATE WATCH

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## Mortgage Rates Inch Down to Lowest Levels Since Early February

Over the course of the past two days, the average conforming 30yr fixed rate has moved down to the lowest levels since early February for most lenders. In nuts and bolts terms, that's a drop of more than half a percent.

Yesterday accounted for a much larger portion of the improvement as lenders continued updating their offerings in response to Wednesday afternoon's bond market movement (courtesy of the Fed).

Bonds ultimately improved today due to a flight to safety in the broader market. In other words, investors sold riskier assets like stocks and bought safer assets like bonds. Excess bond buying results in lower rates, all other things being equal.

Could the improvements continue? That depends what you're willing to sacrifice for them. In the current case, the price of lower rates would likely be more bad news for the banking system. While nothing catastrophic happened on that front today, the market remains a bit nervous about the prospect of more unexpected drama.



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