

# MORTGAGE RATE WATCH

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## Mortgage Rates Edging Higher, But at a Calmer Pace

Mortgage rates had a calmer day on Tuesday compared to Monday with the average lender only moving up by less than an eighth of a percent. Lenders who raised rates yesterday afternoon weren't forced to increase rates nearly as much today.

In terms of market moving events, it was actually a rather boring day. A few speakers from the Federal Reserve provided differing points of view on how many more rate hikes may be required to combat inflation. Both agreed on one thing though: the actual number of rate hikes will depend on the nature of incoming economic data over the next few months.

Fed rate hikes don't necessarily have a big impact on mortgage rates by the time they happen. Rather, it's the underlying data (which causes a change in market expectations for the Fed Funds Rate) that truly matters. The Fed has been clear in communicating the data that matters and we won't see any of the most relevant reports for more than a week.

That means rates may muddle sideways in the bigger picture. Just remember, the bigger picture leaves a fair amount of room to define "sideways." For instance, one could argue that rates have been sideways since late 2022 as they've bounced back and forth between 6 and 7%, roughly, in terms of top tier, 30yr fixed mortgages.



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