

MORTGAGE RATE WATCH

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Mortgage Rates Fall After Inflation Data

Today marked the release of the most recent monthly installment of the Consumer Price Index (CPI)--the most closely followed inflation report and one that frequently causes a big reaction in rates.

Economists submit forecasts to data companies and the median forecast becomes the de facto assumption for financial markets. In today's case, economists saw the most important monthly inflation number staying at 0.4% versus 0.4% last month, and that's exactly where we landed.

Of course there are some numbers behind the numbers. These were helpful for rates today because they showed a drop in inflation after factoring out the more troublesome housing-related metrics. The average mortgage lender is offering a top tier 30yr fixed rate that is almost an eighth of a point lower than yesterday's, but still in the same broadly sideways range.



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