

# MORTGAGE RATE WATCH

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## Surprise Surprise. More Long Term Highs

Have you heard the one about higher mortgage rates? It's not a joke, sadly. It's just a thing that keeps happening. The week began with the average 30yr fixed rate inching into the highest territory since November 2022. There's still some ground to cover before eclipsing those highs, but today's rates moved another few inches in that direction.

The average borrower may not notice much of a change considering our index is only higher by 0.02%. Not every lender changes their quoted terms in response to that level of movement, but the current state of rates has been a death by a thousand cuts.

Today's specific "cut" happened against an interesting backdrop. The bond market (which dictates day to day rate movement) was geared up to react to this morning's Retail Sales data. In general, stronger data pushes rates higher and vice versa.

Retail Sales crushed expectations, instantly forcing bonds to their worst levels since 2022. Less than 1 hour later, the market had more than recovered. This could be a sign that investors are increasingly starting to see value in the increasingly high yields in the bond market.

By the end of the day, the net effect from the Retail Sales data was much less damaging than we would have expected based on the headline. The coming days bring more economic data and there will almost certainly be more opportunities to observe the market's appetite for higher bond yields (aka higher rates).



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