MORTGAGE RATE WATCH
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# Mortgage Rates Are Inches From Multi-Decade Highs

If you could time travel back to October 20th, 2022, you'd find mortgage rates that are just a hair higher than today's at most lenders, but the difference is now too small to care about. Not only that, but many scenarios at many lenders would be slightly worse today.

The unfortunate thing about a rate being higher than it was on October 20th, 2022 is that you'd have to go back more than two decades to see anything higher.

Placing our existing pain in a historical context doesn't offer much incremental benefit. How about understanding WHY rates continue rising regardless of progress on inflation--the thing that was supposed to be the key motivation for the spike.

Motivations are ongoing/general and new/specific. Today's didn't actually add much to the bigger picture. Economic data wasn't highly consequential, but it offered no objection to the notion that high rates have failed to cause significant economic pain outside rate-sensitive industries.

Even in the VERY rate-sensitive housing market, this morning's data conveyed another in-trend result for residential construction, with housing starts and building permits coming in very close to forecasts just over an annual pace of 1.4 million units.

Why does that matter? Because, as the Fed reminded us via today's release of the "minutes" from their last meeting, they want to see some ill effects of their rate hikes on the economy before they consider cutting rates. Bottom line: we're no longer just waiting for inflation to fall back to target levels, but also for economic data to take a turn for the worse.

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