MORTGAGE RATE WATCH
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Mortgage Rates Improve After Downbeat Economic Data

The role of economic data in determining mortgage rate momentum is hard to overstate these days and today provided another solid example. This morning, the average mortgage lender was offering rates that were modestly HIGHER compared to yesterday afternoon. After the data hit, most lenders ended up offering mid-day improvements that brought the average easily below yesterday's.

The data in question was the Job Openings and Labor Turnover Survey (aka "JOLTS"). While it's not quite on par with reports like The Employment Situation (the official name for the big jobs report most frequently referred to simply as "the jobs report"), it's been an increasingly reliable source of inspiration for rates.

Today's installment was the weakest since March 2021. Mortgage rates tend to improve when data comes in weaker. This is both a general truth and a specific consequence of the Fed's current stance on rates. The Fed wants to see more evidence that high rates are having a negative impact on the economy. Yes, it does seem odd to be rooting for economic pain, but as far as the Fed's concerned, a softer labor market is a good price to pay in exchange for lower inflation.

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30yr fixed rates are still in the 7% range, but if the week's remaining economic data were to be as downbeat as JOLTS, that could change. Just be aware that surprises can occur in either direction when it comes to the data.