

# MORTGAGE RATE WATCH

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## Mortgage Rate Winning Streak Finally Ends, But Just Barely

If you count the Friday after Thanksgiving as a business day, mortgage rates had fallen for 6 straight days as of yesterday afternoon. Moreover, they'd reached the lowest levels in 3 months and had put an impressive amount of distance between themselves and the highs seen just over a month ago.

Ironically, yesterday's analysis expressed some measure of bewilderment at just how much better rates were versus the previous day. Now today, we see that all good things--especially those that look a little TOO good--come to an end.

This isn't necessarily a bad thing. When rate rallies continue unabated, the certainty and swiftness of the eventual rebound only increase. By undergoing a moderate rebound in a measured, logical way, rates have made it easier for themselves to remain in the current range without excess volatility.

That doesn't mean volatility is out of the question, but it's more likely to be seen in response to the big ticket economic data that typically inspires bigger swings in rates. We won't get most of that big ticket data until next week, but there is a chance that tomorrow morning's ISM Manufacturing index will spark a reaction if it's much higher or lower than expected.

As is always the case, there's no way to know if the data will be good or bad for rates ahead of time. All we know is that the rate market is incredibly interested in the upcoming data as an indication of whether rates have officially turned a corner in the big picture. While that's exciting (or scary), keep in mind that it would take several months of cohesive data to do the trick.



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