

MORTGAGE RATE WATCH

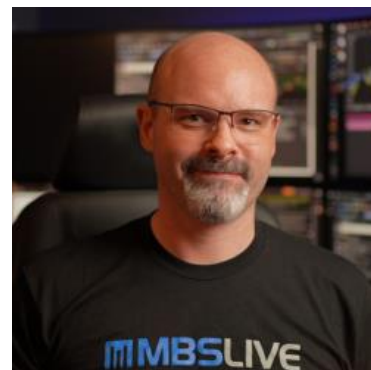
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Mortgage Rates Recover Modestly to Begin New Week

The bond market (which dictates interest rates) hasn't had too many Mondays so far in January due to the holiday calendar. Today's example might have been confused for another holiday based on trading volume and volatility. It was the lightest volume day of the year so far and the calmest in terms of volatility.

Fortunately, the overnight market movement in Asia and Europe started things off on a solid note. This allowed the average mortgage lender to drop rates slightly from Friday's levels which, at the time, were the highest in more than a month. Today's average rates are the lowest since last Tuesday, but because the recent range has been narrow, they're not too terribly different from any other day since then.

Bigger changes become a bigger risk toward the end of the week, but especially by the middle of the following week where we'll get the next Fed announcement and several important economic reports.



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