MORTGAGE RATE WATCH
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Mortgage Rates Recover Modestly After 2 Day Rout

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The past two business days (Friday and Monday) accounted for the 3rd largest increase in mortgage rates since March 2020. Friday, specifically, was the fastest single-day spike in more than a year and 5th biggest spike since March 2020. Even when massive fundamental change is happening, rates don't tend to maintain such a pace.

At present, it would be a stretch to say that massive fundamental change deserves much credit for the past 2 days. If anything, it was more of an adjustment to surprisingly strong economic data. A slew of Fed speakers has confirmed as much during this time. They've been reasonably unified in saying they still expect rate cuts in 2024, but not quite as quickly as the market had been expecting at the beginning of last week.

With all of the above in mind, it's not a huge surprise to see a break in the unpleasant action. While we can't yet be sure that rising rate momentum is finding a limit as opposed to simply taking the day off, we can at least enjoy the day off.

Specifically, the average top tier 30yr fixed rate fell back below 7% today after cresting that level for the first time in more than a month yesterday. Interestingly enough, the recovery was accomplished without any major underlying motivation. This could speak to the absence of that "massive fundamental change" mentioned above (which would suggest less volatility relative to last week in the coming days).