MORTGAGE RATE WATCH
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Mortgage Rates Jump to New 2024 Highs After Another Report Shows Higher Inflation

At present, the Consumer Price Index (CPI) and the jobs report are the two most important considerations for interest rate momentum as far as economic reports are concerned, But it wasn't always so. For more than a decade leading up to 2022, (CPI) was not remotely as important because inflation ceased to be a major concern after 2010.

Since 2022, we could view the Producer Price Index (PPI) in a similar light. Sure, it's an inflation report, but it focuses on the more volatile wholesale side of the supply chain. Markets continued taking cues from CPI while PPI bounced sharply higher and lower depending on the month.

All that began to change in late 2023 as PPI surged sharply lower, helping to build a case for inflation calming down. Since August, we've seen more evidence of rates being willing to react to this previously unloved data.

But the data can cut both ways. PPI has spiked a few times in the past few months and today was the latest example. In many ways, it adds insult to the injury already done by CPI earlier in the week.

Thankfully, the market still isn't willing to move nearly as much for this report, so the damage was not nearly as big in terms of upward rate movement. That said, the movement was still enough to take the average lender to the highest levels in over 2 months.

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