Mortgage Rates Not Much Higher Than Friday

Mortgage rates were at the best levels in 2 weeks as of last Friday and today's offerings are only modestly higher. One counterpoint is that it didn't take much to hit 2-week lows in a rate environment that had been utterly lacking in directionality or volatility during that time. A counterpoint to that counterpoint is that bland performance is exactly what we expected over that time due to an absence of big ticket economic data.

What is big ticket econ data and why does it matter? This refers to the two key reports and a handful of their supporting actors that consistently cause rates to surge higher or lower. The two reports above all others are CPI (the Consumer Price Index) and the big jobs report. CPI caused a stir just before the sideways vibes set in and this Friday's jobs report is just as capable.

But here's where those supporting actors come into play--a handful of other economic reports that don't make quite as much noised as the big 2, but still enough to cause some movement. None of those reports were out today, but there will be at least one on each of the next 3 mornings leading up to the big jobs report on Friday.

If the bond market (bonds dictate rates) could know anything about how these reports will impact rates ahead of time, traders would have already made those trades. Traders and mortgage borrowers alike are waiting to see what the reaction will be. All we can know ahead of time is that the range of potential reactions is much wider in the coming days than it had been over the past 2 weeks.

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