

MORTGAGE RATE WATCH

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Mortgage Rate Winning Streak Finally Pauses, But Just Barely

Mortgage rates hit their best levels in more than a month by the end of last week after moving lower for 4 straight days. If you could only know one thing about today, it's that although rates didn't extend their winning streak, they are still very close to Friday's levels--close enough that the typical borrower wouldn't care or notice.

Today is old news, however. Tomorrow is where all the excitement is.

Tomorrow (Tuesday) brings the regular monthly installment of the Consumer Price Index (CPI) data. There are more than 50 scheduled economic reports on any given month that might have an impact on rates, but only two that are on another level of market movement potential. CPI is both of them.

Well, CPI is at least one of them, but the other one (the big jobs report that came out last Friday) didn't exercise its right to cause big drama for rates. Thus, all eyes are on CPI tomorrow. If it comes in much higher or lower than expected, rates will likely react in a major way.

How major? That really depends on the data. Using the range of outcomes in the past few years, a bad result could push rates higher by a quarter point while a good result could have an equally large benefit. All that having been said, reality tends to fall somewhere in between, but there's no doubt the POTENTIAL is there for something bigger.



Jason R. Richardson

Regional Branch Manager,
City First Mortgage

RichardsonLending.com

P: (800) 475-6255

M: (661) 857-2202

750 S Main Street
Bountiful UT 84010

NMLS #256859

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