MORTGAGE RATE WATCH
Daily Coverage. Industry Leading Perspective.

# Basically The Worst Day For Mortgage Rates Since October 2022

Mortgage rates surged at a pace seen only one other time since October 2022.  The average lender moved up by 0.28%, which is functionally equivalent to the 0.29% seen after the February 2nd jobs report.  In fact, today was arguably worse because the Feb 2nd example happened a day after rates hit long-term lows.  The implication is that the jump would not have been as big in early Feb if rates weren't undergoing a correction from those lows.

Hair splitting aside, there just aren't many past examples of rates rising more than a quarter point in a day. Before covid, it had happened one other time in the past decade.

Translation: it was a rough day for rates.  But why?

We've been rather incessantly focused on the risks associated with today's Consumer Price Index (CPI) in the days and weeks leading up to its release.  It ended up exceeding the hype by showing that inflation refuses to head to the lower levels required for a lower interest rate environment.  Today is really that simple.

Rates are highly dependent on inflation data at the moment.  We'll get another inflation report tomorrow, but it never operates on the same scale of relevance to rates as CPI.  That's not to say a friendly result wouldn't help, but the data stands an equal chance to be unfriendly, thus compounding today's problems as opposed to taking the edge off.

We'll talk more about longer-term, bigger-picture implications on Friday.

Mike Hardy
Mortgage Advisor, Fairview Mortgage Capital, Inc.
mortgagemike562.com
M: (562) 370-0544
29000 S. Western Ave.
Rancho Palos Verdes CA 90275
NMLS #1175689
DRE #01326046