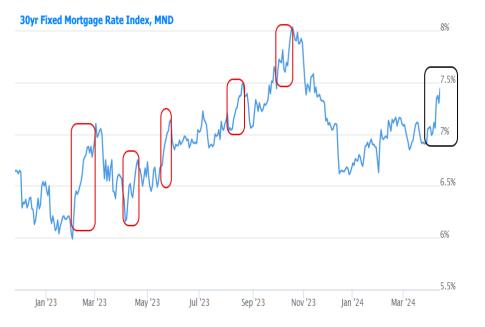
## MORTGAGE RATE WATCH

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## After Months of Relative Calm, Rates are Starting to Look Panicked Again

In 2023, there were multiple examples of mortgage rates moving up by roughly half a percent in a relatively short amount of time (1-3 weeks). Since the big shift in November, we've only seen one similar example and it was more of a technicality (a sharp drop in rates followed by a correction in early Feb), until today.





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Rates were already on the run toward higher levels at a fairly abrupt pace last week. The culprit was economic data, starting with the strong jobs report on April 5th and the far more troubling inflation data last Wednesday. Today's Retail Sales report was the icing on this unpleasant data cake.

To be clear, when it comes to Retail Sales, the data is actually very pleasant for the economy. Unfortunately, what's good for economic growth is often bad for rates and that's doubly true at the moment when the market is waiting for more concrete evidence that the Fed's tight monetary policy is restricting growth.

In other, simpler words, this data does not line up with the notion of Fed rate cuts in the near term. It also had an immediate negative impact on the rest of the bond market, including the bonds that most directly dictate mortgage rates.

The average lender is now back into the mid 7s for a top tier, conventional 30yr fixed scenario.