

MORTGAGE RATE WATCH

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Mortgage Rates Higher Today, But Not Quite as High as Tuesday

Tuesday marked the highest mortgage rates since November, capping a mini surge that began after last week's inflation data. After a moderate improvement yesterday, rates moved back up toward (but thankfully not above) the recent highs today.

Financial markets reacted to stronger economic data and comments from Federal Reserve officials regarding the possibility of no Fed rate cuts in 2024 and even a small chance of rate hikes. Importantly, Fed members don't see hikes as being likely and the economic data would have to accelerate enough to justify a change in strategy.

We're definitely not there yet, but we're just as certainly not there when it comes to lower inflation readings required to validate the first rate cut. At the March Fed meeting, officials still saw 3 cuts by the end of the year, albeit just barely. Based on data that's come out since then, markets are betting on only one cut.

Other news sources are running headlines regarding a big jump in mortgage rates to 7.10% based on Freddie Mac's weekly survey results released today. Keep in mind that's a weekly number based on average of last Thursday through yesterday and that it doesn't account for the impact of discount points. In other words, rates are definitely not 7.1 today, and especially not without points.



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