

MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

Mortgage Rates Jump Up And Over 7.5% After Inflation Surprise

Interest rates care about quite a few different things, but inflation and Fed policy are two of the biggest considerations. One of the Fed's favorite ways to track progress on inflation is the PCE price index which comes out every month, but also every quarter.

Oddly enough, the quarterly comes out a day before the monthly data on the 4 days of the year where a new quarter is reported. Today was one of those days and the quarterly data showed a big surge in inflation. The implication is that there's a much bigger risk that tomorrow's monthly inflation number also proves to be higher than expected.

Bonds/rates don't like inflation to begin with, but it's even more problematic when it has a direct bearing on Fed policy decisions. This particular news is seen as pushing the Fed even farther into the future for its first rate cut of this cycle. In other words, both the data, and the Fed implications were bad news for rates today.

The average lender jumped immediately higher by roughly an eighth of a point. This brings the top tier conventional 30yr rate index over 7.5% for the first time since November 13th. Tomorrow could add insult to injury, but it's also worth noting that markets are expecting worse news now, so if it's only a little worse, the injury might not be that bad.



Steven Fishman

President, Buckeye Lending Solutions, Inc.

Buckeyelends.com

P: (239) 980-7588

M: (440) 773-9941

9990 Coconut Rd # 257
Bonita Springs Ohio / Florida
34135

Company NMLS#1838265 LO
NMLS#9362 OH LO.012547.001

