

# MORTGAGE RATE WATCH

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## Mortgage Rates Sideways to Slightly Lower to Start New Week

Mortgage rates didn't change much at all over the weekend with the average lender still in the highest territory since November. The average conventional 30yr fixed rate is just under 7.5% for top tier scenarios.

Things could end up changing quite a bit by the end of this week owing to a slew of important events and economic reports. The sneak preview of one of those events took place this afternoon as the U.S. Treasury released borrowing estimates for the 2nd quarter.

Why would this matter?

Rates are driven by bonds and U.S. Treasuries are the bonds that set the tone for all other bonds/rates in the U.S. Bonds can be influenced by a number of factors, but supply and demand always matter to any financial security. The Treasury department directly comments on the supply side of that equation in these announcements. When the number is bigger than the market expects, it puts upward pressure on rates, all other things being equal.

Today's number was slightly bigger, but the market did a good job of taking that in stride. The rest of the week's calendar is even more likely to cause volatility--especially on Wednesday and Friday. As always, volatility can either be good or bad for rates.



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