

# MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

A message from Nickolas Inhelder:

## We Make Home Happen.™

Our goal is simple:

To help every family we serve get to “Yes.”

**Yes** to the loan that unlocks the joy of home ownership.

**Yes** to the lending solution that meets every client’s unique needs and wants.

That’s why we dedicate our every resource to serve as your personal guide through the lending process, solving problems, building confidence. Aslan has access to every lending option leading to the purchase or refinance of a residential home loan.

This is more than work for us. It is our unique joy in this life to share our collective skill, creativity, and care to bring you and your family right to where you belong.

**Let’s make home happen.**

**CONTACT ME TODAY**



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## Mortgage Rates Back Under 7% After Inflation Data

If it feels like we've been harping on the prospects for rate volatility in response to today's inflation data for several weeks (and we have), today is why. The Consumer Price Index (CPI) is the biggest reliable source of momentum for interest rates when it comes to scheduled data--big enough that the results can come in right in line with forecasts and still have a big impact.

Indeed, today's results were right in line with forecasts. In month over month terms, core inflation was 0.3% and annual inflation was 3.6%. The Fed wants those numbers at 0.1-0.2 in monthly terms and 2.0% annually in order to be more confident about rate cuts. The annual number wouldn't need to hit 2.0% as long as monthly numbers suggested we were well on our way.

And again, today's monthly number only suggested 3.6% (0.3 x 12). Despite being almost twice as brisk as desired, the 0.3% rate of monthly core inflation was apparently a relief for bond traders who quickly began pushing rates lower. Mortgage rates are based on mortgage-specific bonds that correlate substantially with US Treasuries.

Other economic data helped the cause with Retail Sales coming in unchanged for April versus forecasts calling for a 0.4% increase. Taken together, the as-expected inflation data and weaker retail sales suggest cooler inflation pressure relative to Q1's data--something all fans of low rates were hoping to see.

Mortgage Lenders were able to drop their average top tier conventional 30yr fixed rate to 6.99% from 7.11% yesterday.