Mortgage Rates Close Enough to Unchanged Over The Weekend

Mortgage rates moved modestly higher on the two days at the end of last week. This put an end to a decent winning streak that had been in place since the beginning of the month, but it stopped well short of undoing much of the progress.

Technically, today's average mortgage rates are higher for a third straight business day, but most prospective borrowers won't even notice. For many lenders, the changes are so small that the average borrower won't see any change from scenarios quoted on Friday afternoon. In cases where there is a difference, that difference would be very small.

There were no significant sources of volatility in the bond market today (bonds drive interest rate changes) and that's a theme that could continue for much of the week--at least as far as scheduled events are concerned. In other words, there are times when we can point to calendar events that are highly likely to cause rate movement (like last week with the CPI data). Then there are times like this week where it would not be a surprise to go the entire week without a big reaction to a scheduled event.

If you're a fairly devout market watcher, you may be thinking "what about the Fed minutes on Wednesday?" While it's true that some past examples of Fed minutes have had a big impact on rates, it's currently hard to imagine what they might contain that would constitute a surprise or new information in the current environment.

Multiple Fed speakers have been out in the past 3 weeks and they've added far more context to the Fed's evolution of thought than could possibly be delivered by minutes from a meeting that happened 3 weeks ago. Lastly, the Fed's reaction function is just dead simple. Inflation data has to improve more before rate cuts are back up for consideration.

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