

MORTGAGE RATE WATCH

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Mortgage Rates Much Higher Over The Past 2 Weeks

Mortgage rates most recently bottomed out on May 15th with the average top tier conventional 30yr fixed scenario being quoted just a hair under 7.0%. It's been a fairly consistent march higher since then, slowly at first, but more abruptly in the present week.

Between yesterday and today alone, rates rose 0.18% on average. All told the 6.99% average from May 15th was up to 7.34% at the close of business.

The pace of the movement continues to belie the fundamental motivations. Over the past few years, it's most common to see the biggest rate volatility in response to key inflation reports, jobs reports, or Fed announcements. None of the above have been present during the recent uptrend.

The bond market (which underlies and ultimately dictates rate momentum) may have been a bit nervous to underwrite the most recent round of U.S. Treasury auctions which finally concluded this afternoon. Bonds could also be apprehensive about the forthcoming inflation data in Friday's PCE report. Last but not least, the final trading days of any given month can always generate some of their own directional influence.

Bottom line: the recent pain isn't necessarily a sign of things to come. It will ultimately depend on the tone of the new economic data in the coming days.

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