

# 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 Improve Again, Despite Headwinds From Economic Data

The phrase "data dependent" is ingrained in the current bond market psychology for good reason. Weaker trends in economic data will reliably cause the Fed to cut rates when the time comes. This is particularly true for inflation-related data, but other reports still matter. One of those reports came out this morning, but things didn't go according to the data dependent script--at least not at first glance.

The Institute for Supply Management (ISM) publishes a monthly index on the health of the services sector called the PMI (purchasing managers index). Apart from the highest of the top tier economic reports, ISM PMIs are some of the most relevant considerations when it comes to data that moves the rate market.

Today's Services PMI was **HIGHER** than expected, and not by a small margin. This is something that would normally be **bad for rates**. Indeed, that was the bond market's initial reaction, but the first move quickly gave way to a rebound that resulted in even lower rates by the end of the day.

As for the rationale, it could have something to do with a component of the report that showed slightly lower price pressures versus last month. Combine that with the same message in ISM's manufacturing PMI earlier this week, and the market could be hoping that next week's all important Consumer Price Index (CPI) sings a similar tune.

The average mortgage lender moved one step closer to the lowest levels since early April, but there still a few days in mid May that were microscopically better.

From here, attention turns to Friday's big jobs report. That's one of those "top tier" pieces of data mentioned earlier. A counterintuitive reaction is less likely in the event that it, too, manages to do better than forecast.