MORTGAGE RATE WATCH

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Mortgage Rates Little Changed at Lowest Levels Since March

You'd have to go back to March 28th to see the average mortgage lender offering a lower rate on a top tier, conventional 30yr fixed scenario than they're offering today. The same was technically true yesterday and today's rates were just a hair lower.

That said, some lenders have done things differently over the past 24 hours due to yesterday afternoon's market volatility. Bonds lost enough ground after the Fed announcement for some lenders to reissue rates at slightly higher levels. Those lenders were noticeably improved this morning, but not much better than yesterday morning's levels.

Today's helpful data included another friendly reading on inflation--this time at the wholesale level as opposed to yesterday's consumer-level report. In addition, Jobless Claims rose to the highest levels since last summer.

Weak economic data is generally good for rates, but the claims data raised questions about seasonal distortions. This is the same timing as last year's uptick in claims, which suggests the seasonal adjustment factors might not be perfectly dialed in for an evolving labor market.

For this and several other reason, the bond market will be reluctant to push rates lower at a fast pace until traders can be sure the data is confirming a bona fide economic shift in addition to a high likelihood of a return to 2% annual inflation at the core level.

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