

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



Nickolas Inhelder

Mortgage Broker, In Clear
To Close - InCTC LLC

www.AslanHLC.com

P: (720) 446-8778

M: (858) 229-9533

nick@incleartoclose.com

1777 S. Harrison St.

Denver CO 80210

2037157 - CO, FL

2656899 - AL, CO, FL, SD

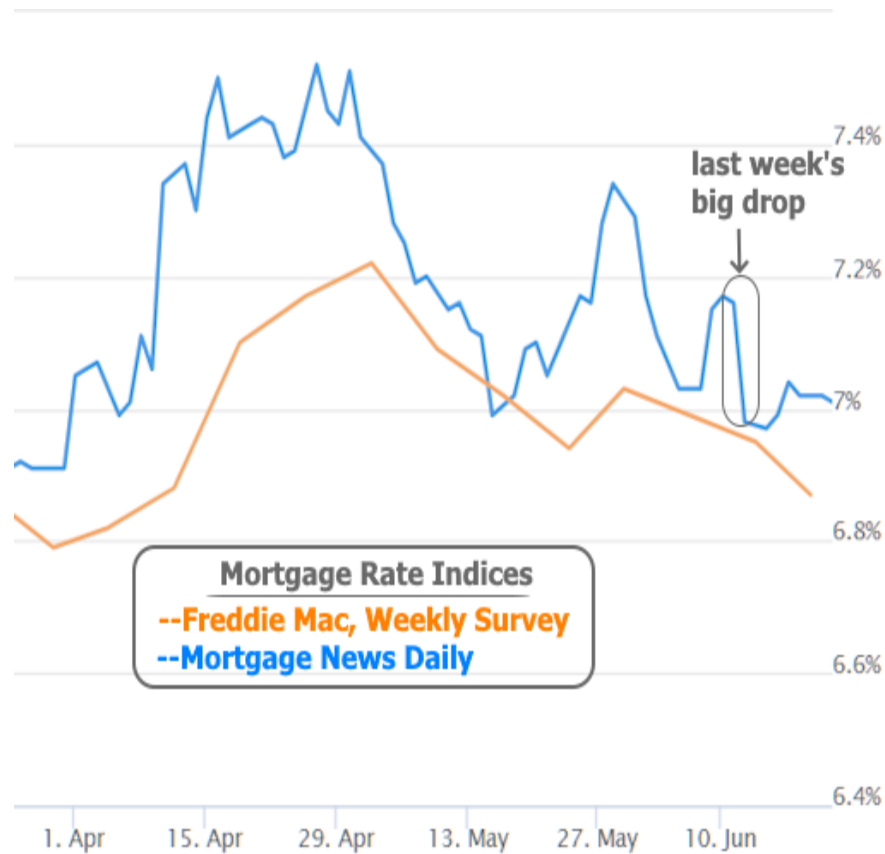


June Shaping Up Nicely, But Bigger Tests Are Yet to Come

After a rocky start to the year, things began to improve for rates and the inflation outlook in May. June took the improvement to the next level, but this week didn't affect the bigger picture.

Ahead of Wednesday's market closure for Juneteenth, the most relevant economic report was Retail Sales on Tuesday morning. It came in slightly below forecast and the previous month was revised lower. Rates responded by moving back toward recent lows, but not below them.

Some sources suggest mortgage rates are in fact at multi-month lows, but this relies on Freddie Mac's weekly survey which is notorious for modest inconsistencies with reality due to the timing and methodology of the survey. In both 10yr Treasury yields and mortgage rates, the reality has been more of a sideways fizzle as opposed to additional improvement.



Apart from Retail Sales, Friday's PMI data from S&P Global caused the most notable market reaction after coming in at the strongest levels in more than 2 years--albeit, just barely.



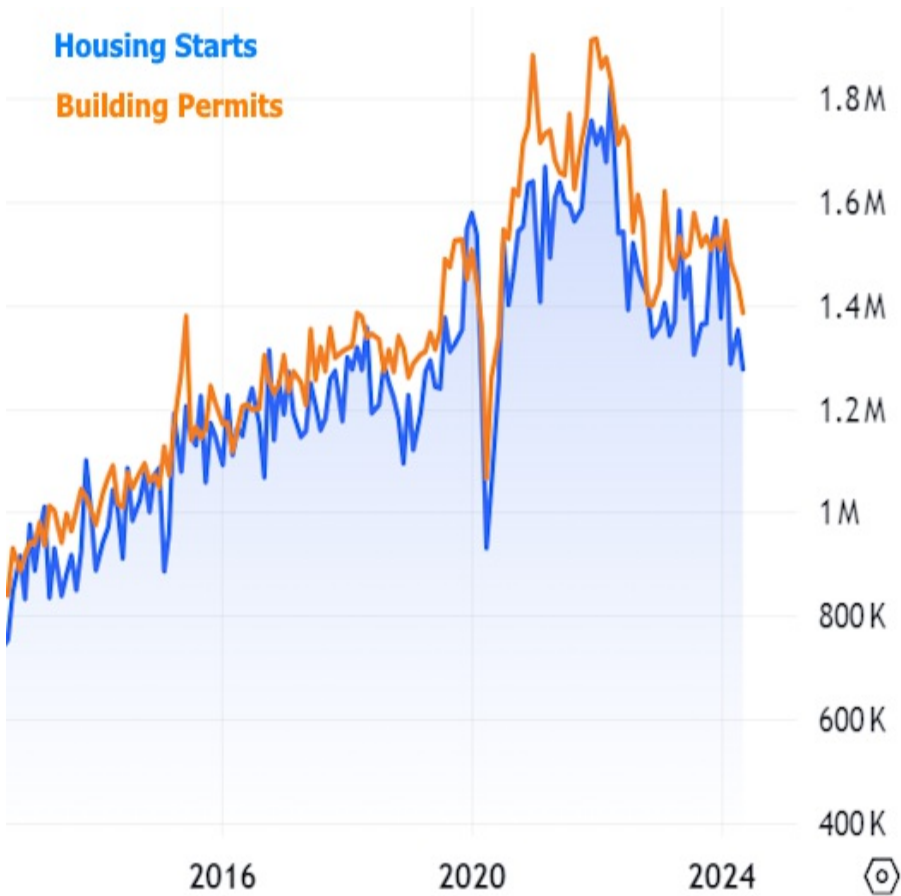
Stronger economic data tends to coincide with rates moving up. Using 10yr Treasury yields as a convenient intraday benchmark for mortgage rate momentum, we can see the impact relative to Retail Sales earlier in the week. Neither were remotely on the scale of last week's CPI data. Additionally, they each argued opposite cases, thus helping the rate range remain subdued for now.



In other words, most of June's progress was already in place before this week began. It gets rates within striking distance of a longer term uptrend--one that will be hard to definitively break unless June's forthcoming economic data paints a picture of economic weakness and lower inflation. It will be several weeks before most of June's data starts coming in.

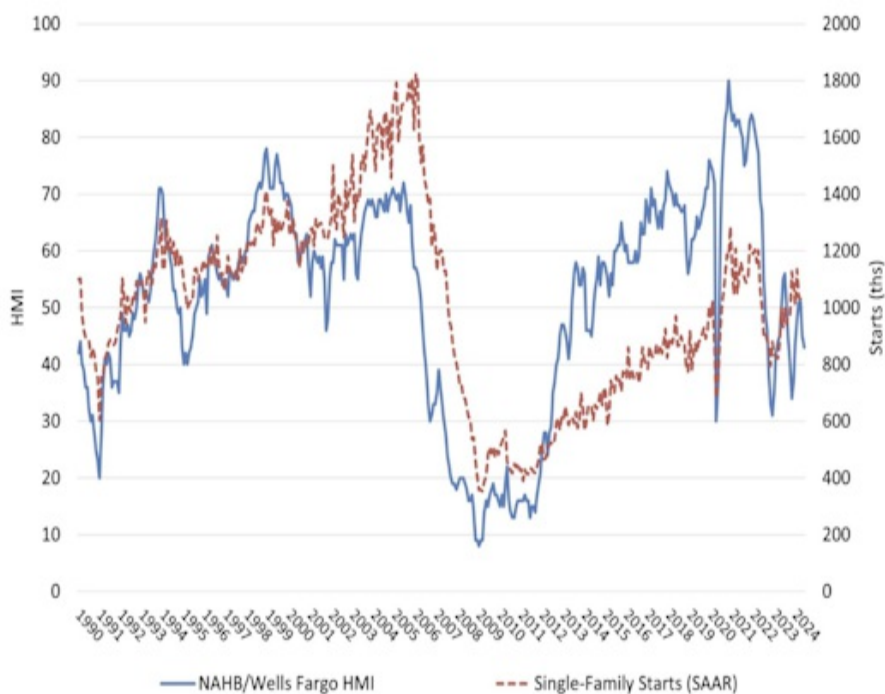


While the rest of this week's data didn't necessarily move markets, much of it was housing-focused. New Residential Construction is measured at several stages with building permits and housing starts (the start of the physical construction process) being the two main headlines. Both have been trending gently lower (but remain elevated compared to the pre-pandemic levels) and this week's update was no exception.

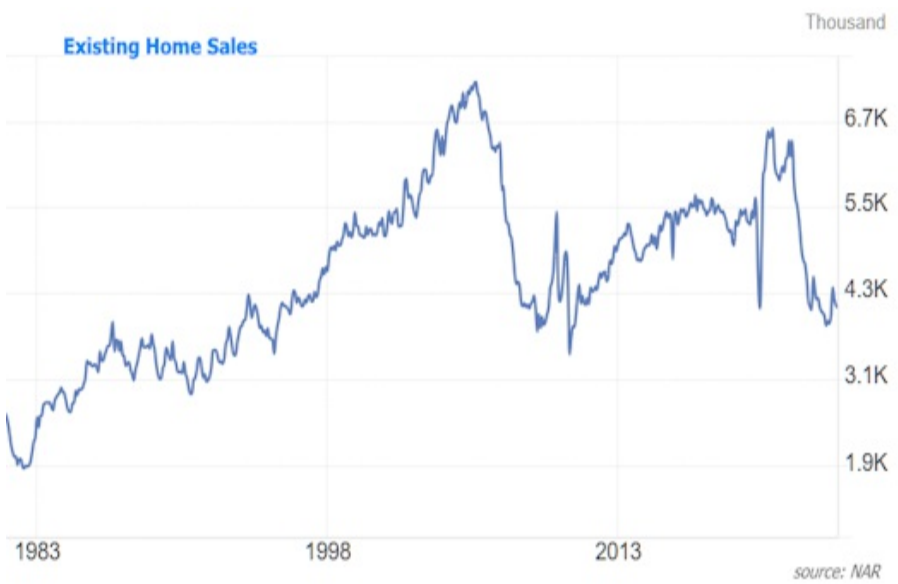


The National Association of Homebuilders (NAHB) also released its Housing Market Index which is essentially builder confidence. In general, the high rate/low affordability environment continues weighing on builders, forcing them to cut prices and/or offer additional incentives.

NAHB/Wells Fargo Housing Market Index



Existing Home Sales are much more sensitive to the post-pandemic rate volatility and have been doing much worse than new construction as a result. This week's update did little to change that, but didn't offer any fireworks relative to expectations.



The more interesting consideration for home sales is a potential future with another move toward lower rates. The last notable rate rally resulted in a clear response from the housing market. The upcoming data in early July will determine whether rates are able to challenge the bigger picture uptrend. While that challenge could go either way, if it's successful, it suggests a meaningful uptick in housing activity.

