Mortgage Rates Remain Exceptionally Flat for 4th Straight Day

Most mortgage lenders offer mortgage rates in increments of 0.125% (i.e. 6.875, 7.0, 7.125, 7.25, etc.). As such, a particularly notable day of mortgage rate movement is one in which we see close to a 0.125% change. After all, that's what it would take for the average borrower to see a significant change in the prevailing rate quote.

This doesn't mean smaller moves don't hurt, only that they tend to impact implications for upfront costs rather than the quoted rate itself. Specifically, last Monday, when rates jumped from 6.99% to 7.04%, the average borrower would be quoted a rate of 7.00% in both cases, but on the 7.04% day, closing costs would have been higher, all other things being equal.

With all of the above in mind, ever since last Monday, the average top tier conventional 30yr fixed rate hasn't moved mover than 0.02% on any single day and for the past 3 days, not more than 0.01%. That's a staggering level of "sideways-ness."

It hasn't been for a lack of potential motivations either. During that time, several economic reports were released that have managed to cause much bigger reactions in the past. If they didn't this time, it's because the market is eagerly waiting for confirmation (or lack thereof) that the most recent round of inflation data is signaling a shift that allows rates to continue moving lower.

That data only comes out every so often, and only once a month in the case of the most important inflation report: the consumer price index (CPI). We're still several weeks away from that one, but some of the other data is up to the task of causing some volatility between now and then. The only catch is that almost all of it arrives next week.

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