

MORTGAGE RATE WATCH

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Mortgage Rates Steady to Slightly Lower

Mortgage rates rose at the fastest pace in 2 weeks yesterday, but that wasn't a very tall order considering an almost perfect absence of movement leading up to that. Now today, a good amount of that small amount of damage has been undone.

Bonds responded favorably to this morning's economic data, which suggested the labor market could be in the process of softening a bit, and that companies were less likely than expected to make big purchases in May (not including aircraft and defense spending).

Bonds thrive on bad news for the economy (and bonds drive interest rates). While this wasn't the worst news in the world, it was far enough from forecasts to spur a modest rally in bonds and rates.

The top tier conventional 30yr fixed average remains just a hair over 7% for most lenders. Bigger changes are possible in the coming days/weeks as more important economic data will be released.

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