

MORTGAGE RATE WATCH

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Mortgage Rates Near Highest Levels in More Than a Month

Mortgage rates continued their frustrating and somewhat perplexing move higher today, thus bringing the average lender close to the highest levels since the end of May.

Rising rates are always frustrating for those the housing/mortgage markets and prospective borrowers, but an ebb and flow is a way of life. In other words, it's perfectly normal to see good and bad days for rates.

Less normal is the occasional emergence of counterintuitive rate movement. In other words, we are usually able to tie any given drop or surge in rates to one or more root causes that have had similar impacts in the past.

This time around, however, the economic data has been suggesting **DOWNWARD** pressure on rates over the past two days. That's notable for two reasons: economic data has been a reliable source of guidance and, more importantly, rates have experienced anything but downward pressure over the past two days!

There are a few ways to account for the paradox, but at this point, most conversations include some speculation about the political impact on rates after last week's presidential debate. Connecting the dots from those conclusions to the market movement is a rather complex task and it relies on several assumptions that can't be predicted with a high degree of certainty. As such, we'll dig deeper in the event the narrative continues causing problems for rates. For now, just be aware that it may be a source of counterintuitive pressure, but one that should still be trumped by the major upcoming economic reports.

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