

MORTGAGE RATE WATCH

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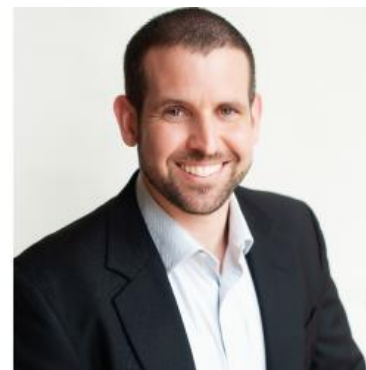
Mortgage Rates End The Week Roughly Unchanged

Day to day movement has been subdued in mortgage rates recently, and now the week over week movement is just as uneventful. Friday's average top tier 30yr fixed rate almost perfectly matched last Friday's and it was identical to where we began the week.

Given the absence of any major market moving motivations, this isn't a surprising turn of events. That said, it's worth considering that the past 3 days have seen gradual upward pressure implied by the bond market. This didn't immediately translate to upward pressure in mortgage rates due to the timing of the market movement relative to when mortgage lenders set rates for the day.

Whether or not this ends up looking like a vague warning sign depends on the economic data in the coming week. Unlike the present example, there are important data points each day with the most important report of them all--the jobs report--on Friday.

If there's a strong bias toward strength or weakness in the data, it will go a long way toward resolving the debate over the size of the Fed's rate cut in 3 weeks. The rate cut itself has no bearing on mortgage rates, but shifts in rate cut expectations tend to produce comparable shifts in mortgage rates in the run up to the Fed's official announcement.



Tim Pillsbury

Branch Manager -
Mortgage specialist,
AmRes Corporation

www.nolalender.com

P: (985) 777-2837

2065 1st Street
Slidell Louisiana 70458
NMLS#101822