

MORTGAGE RATE WATCH

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Mortgage Rates Move Slightly Higher For First Time This Month

While it's true that there have only been 8 business days so far this month, it's also true that today is the only one of the 8 where mortgage rates haven't been lower than the previous day for the average lender. That's the bad news.

The good news is that today's increase was modest. In fact, if you take yesterday out of the equation the average lender's conventional 30yr fixed rates are easily at the the lowest levels since February 2023. That's a drop of more than .75% in just over a month, which is a quick pace of improvement. It's also part of the longest trend of rate improvement in more than 3 years.

Many times, when it comes to movement in financial markets, "too much of a good thing" means you might see the opposite of that thing--at least to some extent. That's certainly a possibility, but it depends on incoming economic data and the market's reaction to the Fed's rate outlook next week.

NOTE: we're not as interested in the Fed's rate cut because that part of the policy shift is already reflected in today's interest rates. Rather, if the Fed communicates a more aggressive rate cut outlook in the upcoming months, rates could continue lower. Conversely, if the rate cut outlook underwhelms, there's room for rates to bounce back up and hold steady until the next major round of economic data.

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