

Mortgage Rates Highest in More Than 2 Weeks

Mortgage rates hit their lowest levels in more than a year and a half last Tuesday as the bond market put the finishing touches on its preparation for the Fed announcement the following day. Since then, rates have been drifting mostly higher with each passing day.

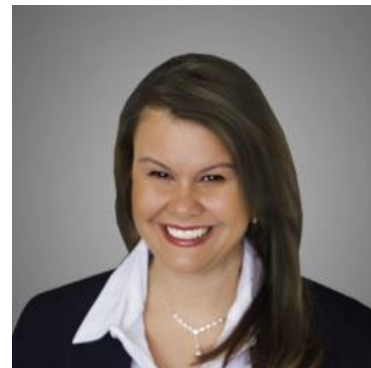
As of this past Monday, the average lender was at the highest levels since November 10th and those levels were matched again this afternoon--i.e. technically the highest rates in more than 2 weeks.

While that may sound a little unpleasant, apart from the past 2 weeks, these are still the lowest rates since February 2023, and still sharply lower versus the late 2023 highs or even the highs from just 2 months ago.

In many ways, the big drop in rates heading into the middle of September was indeed all about the market getting in position for the Fed's big policy shift. The correction seen since then is understandable and it should run its course fairly soon.

The only catch is that economic data has been and will continue to be a bigger driving force for rate momentum than the ebbs and flows surrounding Fed policy decisions. After all, those Fed policy decisions are based on economic data anyway.

In that regard, the last two days of this week are the most important as they contain the most relevant economic data. Beyond that, next week is on another level (the highest level, arguably) due to Friday's jobs report--the hardest hitting monthly economic report of them all.



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