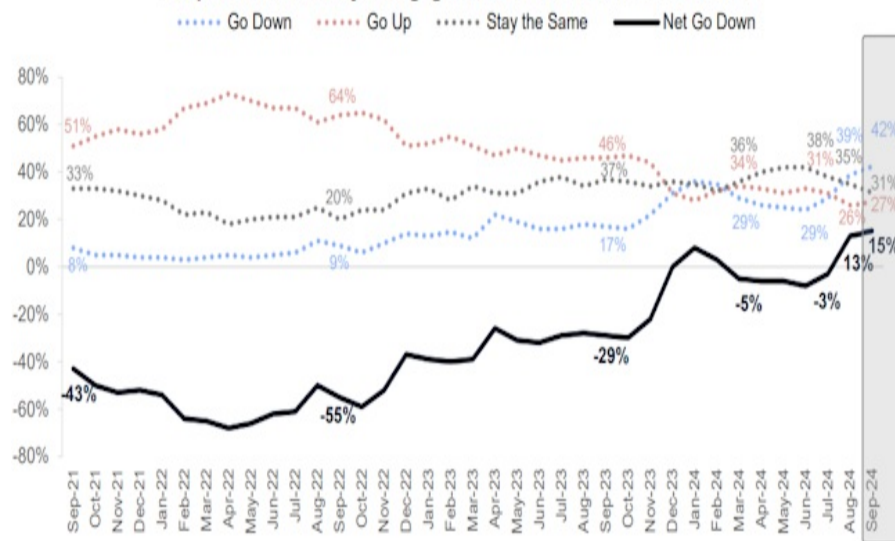


Highest Mortgage Rates in 2 Months

It's been a strange and frustrating couple of weeks for anyone who mistakenly believed that mortgage rates would move lower after the Fed rate cut. To be sure, there is plenty of that sentiment out there according to the just released Fannie Mae sentiment survey showing the highest net percentage of respondents who thought rates would go down since the survey began in 2021.

Respondents who say mortgage rates will... in the next 12 months



Brant Phillips
 President, Colten Mortgage
www.coltenmortgage.com
 M: 3039090411
 6021 S. Syracuse Way, Suit 104
 Greenwood Village CO 80111
 NMLS #6122
 Company NMLS #14210



To be fair, the survey asks about a 12 month time frame and a lot can happen in 12 months. As for the 3 weeks since the Fed rate cut, however, things have not been great. Today's rate movement added insult to Friday's injury with the market still working through the momentum created by Friday's stronger jobs report.

Given the motivations for the rate spike and the available economic data, it's unlikely that rates will move quickly back down to the levels seen in mid September. They'd need a lot of downbeat economic data to do so. Even then, traders would still be waiting to see what the next jobs report had to say before getting too carried away.

Meanwhile, there's some risk of additional weakness in rates if the economic data is more resilient than expected. The average lender is already back up to levels last seen in early August.

Bottom line, markets got locked into the belief that data would slowly deteriorate (with a lot of weight being given to the last few jobs reports) only to see the most recent jobs report say "not so fast!" There's a bit of a re-set happening at the moment. We can't know exactly how big it will be until we get through more econ data. Unfortunately, this week is much lighter than last week in that regard.