Mortgage Rates Sideways to Higher

Today brought the release of the minutes from the most recent Fed meeting in addition to numerous Fed speeches and the scheduled auction of 10yr Treasuries. Each of these events has at least some track record of causing volatility for interest rates, but none of them had an impact today.

As for the Fed Minutes, it's no surprise to see a lack of response. The minutes are simply a more detailed account of the meeting that took place 3 weeks ago. A lot has happened since then--especially last Friday's jobs report.

Speeches by various Fed officials also held few surprises for financial markets. When the shoe had been on the other foot, Fed members commonly reminded the market not to place too much focus on a single month of economic data or a single report. Granted, the single jobs report also provided upward revisions to the previous reports, but even that's not enough to suggest a change in tack from the Fed--especially when Powell was already clear that the initial 0.50% rate cut is no guarantee that subsequent cuts would be the same size.

Despite the absence of inspiration, the bond market drifted into slightly weaker territory. That normally connotes higher mortgage rates, but due to the timing of intraday volatility, many lenders are right in line with yesterday's levels. Lenders who offered mid-day improvements yesterday are a bit higher today. Those who held the same rates all day yesterday are actually a hair lower on average.

Tomorrow brings the week's most important economic report in the form of the Consumer Price Index (CPI). Up until the past few months, this was as important as the big jobs report. It could still be worth some volatility, to be sure, but not as much as we've seen in the wake of the jobs data. As always, volatility can go both ways.

Jason Delaney
Mortgage Lender, Haven West Mortgage
www.havenwest.net
P: (800) 992-1900
M: (909) 921-3623
jdelaney@havenloan.net
26632 Towne Centre Dr.
Foothill Ranch CA 92610
153213

Haven West Mortgage
A division of GEM Mortgage

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.