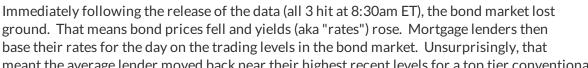
Mortgage Rates Move Higher After Stronger Economic Data

Mortgage rates are driven by the bond market and bonds consistently take cues from economic data. Traders have been waiting on this Thursday's economic data ever since last Thursday, largely because there haven't been any major reports between now and then.

The market constantly tries to adjust based on whatever it thinks it can know ahead of time. That means that the median forecast among hundreds of economists for any given report tends to be reflected in the bond market well before the report in question is released. Then on release day, the market reacts to deviations from the consensus.

In today's case, all 3 of this morning's key reports were stronger than expected.

- Jobless Claims dropped to 241k for the week. Both last week's level and this week's forecasts were 260k.
- The Philly Fed Business Outlook Survey came in at 10.3 versus a median forecast of 3.0 and a previous reading of 1.7.
- Retail Sales rose 0.4% vs a 0.3% forecast and 0.1% in the last report.



meant the average lender moved back near their highest recent levels for a top tier conventional 30yr fixed scenario.

The silver lining is that rates are still technically in the same range seen over the past week and a half, but that range is quite a bit higher than September's.

From here, the rate market goes back to waiting for data, and it will be several weeks before the most important data comes out.



Charles Dailey COO, iLoan

www.charlesdailey.com P: (612) 234-7283 M: (651) 428-6968 charles@charlesdailey.com

2107 Skyway Dr Saint Paul MN 55119 79048

