

MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

Rates Jump Quickly to Highest Levels Since July

By the smallest of margins, mortgage rates are back up to levels last seen in July. That means we've gone from being fairly close to 6% in mid-September to being nearly as close to 7% today when it comes to top tier 30yr fixed scenarios for the average lender.

Today's jump was particularly quick and frustratingly lacking in satisfying explanations. It's not the explanations make bad news any more palatable, but it's always more frustrating to be confronted with unpleasantness that seems to be happening for no good reason.

There are several theories, but nothing as obvious or demonstrable as a surprise result in a key piece of economic data. These include things like shifting election odds coupled with assumptions about policy impacts, arcane calendar issues surrounding the options market, and one of several research notes regarding U.S. deficits that have been making the rounds.

It's unlikely that any of these factors could exclusively drive the pace of weakness seen in rates today. There are limited examples of several such factors teaming up to cause days like today, but just as often, something else comes to light in the following days that helps flesh out the explanation.

Explanations aside, it was one of the bigger jumps seen in the past few months, and by far and away the biggest jump seen on a day without a big economic report or other scheduled event.



Drew Stiegemeier

Mortgage Banker, Frontier Mortgage

frontierhomemortgage.com/drew

P: (636) 898-0888

M: (618) 779-7507

1406168



Mike Mihelcic

Associate, Re/Max Alliance

www.remax.com/.../102293806

P: (618) 656-2111

M: (618) 339-5752

remaxmike2012@gmail.com

1121 University Drive
Edwardsville IL 62025

