MORTGAGE RATE WATCH
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# Mortgage Rates Roughly Unchanged Yet Again Despite Bond Market Losses

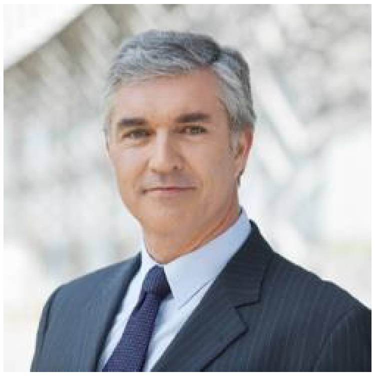
Losses... weakness... selling pressure... When any of these things happen in the bond market, it puts upward pressure on interest rates. Mortgage rates are primarily determined by bonds, after all.

Today started out well enough for the bond market. This allowed mortgage lenders to set today's rates roughly in line with yesterday's levels. That makes for 3 days in a row with the average lender offering top tier 30yr fixed rates just a hair above 7%.

Fed Chair Powell have a speech and answered questions today at a regional event in Dallas. He echoed recent comments from other Fed speakers regarding the pace of Fed rate cuts. In short, Fed sentiment is shifting in favor of slower pace.

As we hopefully learned from the market movement heading into (and out of) the Fed's September meeting, expectations for Fed rate cuts have an immediate impact on longer term rates like mortgages. Days like today contribute to cooler expectations for rate cuts and thus put upward pressure on rates. That's not immediately apparent in mortgage rates, but this had more to do with the timing of bond market movement today.

Fortunately, bonds had gained some ground before they lost ground. The net effect is not big enough for most mortgage lenders to raise rates.



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