

MORTGAGE RATE WATCH

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Mortgage Rates Rise to Match 6 Month Highs

We came into the current week knowing that rates would take cues from any clear cues in this week's economic data. In general, that means higher rates in response to stronger data or lower rates if the data is weaker. Today's data was stronger across the board.

One of the most closely watched economic reports that most people have never heard of--ISM's Service sector index--was only a bit higher than markets expected, but the report includes separate components for things like employment and prices. Today's release showed a sharp increase in prices and that's a particularly sensitive subject for rates these days.

At the same time, the US government released job openings numbers which showed an unexpected uptick back to the highest levels in 6 months. Higher jobs openings tend to coincide with higher rates.

Incidentally, mortgage rates also matched their highest levels in 6 months today, last seen on December 19th and July 1st. On the plus side, this didn't represent a huge move from yesterday's latest levels with the average lender only increasing 30yr fixed rates by 0.04%.

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