

30yr Fixed Mortgage Rate Indices

--Freddie Mac Weekly Survey

--MND.News Actual Daily Avg.



Next week brings another important economic report in the form of the Consumer Price Index (CPI), which has nearly as much potential to cause volatility as the jobs report. The jury is very much out on inflation. On the one hand, anecdotal evidence from other data shows some cause for concern, as seen in this week's "prices paid" component of the ISM Services Index.

Prices in the Services Sector (per ISM Services index)



Energy prices have also moved higher heading into the new year and may already be contributing to inflation fears in the rate market.



On the other hand, the housing component of the Consumer Price Index (officially categorized as "shelter") has resumed its steady trend lower over the last 3 months. That's important because it's the single largest component of core inflation and it has been doing more than any other component to keep overall inflation from moving back toward the 2 percent target.