Mortgage Rates Stay Flat Despite Underlying Market Volatility

We know that mortgage rates are driven by financial markets and we know that financial markets have experienced volatility amid the roll-out of new tariffs over the weekend. But rates are starting the current week right in line with Friday's latest levels (themselves, little-changed from any other day last week).

Part of the paradox is down to timing. Specifically, the bonds that underly day-to-day rate movement are indeed experiencing volatility, but it's all coming out in the wash, so to speak. Big moves in one direction have frequently and rapidly been offset by moves in the other direction. In addition, volatility that transpires in the early morning or late afternoon is often outside the window that has a direct bearing on mortgage lenders setting rates for the day.

Monday stood a chance to see rates fall compared to Friday, but tariff headlines brought the market back in the other direction at the last possible moment. The net effect was an average top tier 30yr fixed rate that was perfectly unchanged from last week.

This won't go on forever, of course. Apart from coincidental luck running out, rates will be forced to take cues from any consensus in the the economic data. For instance, if the data over the coming days is mostly weaker than expected, rates would be more likely to move lower. If the data is strong, rates would be more likely to move higher.

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