MORTGAGE RATE WATCH

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Mortgage Rates Move Slightly Higher

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It's been a great couple of weeks for mortgage rates, largely mirroring the terrible couple of weeks for the stock market. A combination of downbeat econ data and economic concerns helped push investors away from stocks and into bonds (mortgage rates are based on bonds where more demand means lower rates).

There have been two notable attempts on the part of stocks to bounce back over these two weeks and today was one of them. Rates have been under pressure at the same time, but they're not just thinking about stocks.

Rates/bonds prefer to take cues from economic data. While today's was mixed, the more meaningful of the two key reports was not rate-friendly.

Mortgage lenders began the day in decent shape but many were forced to adjust rates higher as bonds responded to the econ data.

Fortunately, the damage is minimal for now, and the average 30yr fixed rate is still right in line with the best levels in 4 months, generally speaking. There will be more data with the power to send rates in either direction over the next 2 days. As always, there's no way to know ahead of time if the data will help or hurt.