

HOUSING NEWSLETTER

The Week's Most Important Housing News

Interest Rates Had a Boring Week, And That's a Good Thing

Rates rocketed lower with stunning consistency starting in late February. They finally bounced last week, but rather than move back up to previous levels, they held in a relatively narrow, sideways range. That set the stage for a showdown this week.

OK, a "showdown" may be a bit dramatic, but it's not an overstatement to say that rates were ready to embark on a new journey higher or lower, depending on the outcome of this week's data and events.

As it happened, data and events ended up cancelling each other out, so to speak. So despite seeing some back and forth movement, average rates continued to operate in the same mostly sideways range.



It may not be much of a surprise when looking at the chart above, but "sideways" is a good thing at the moment. In terms of time spent near the lowest levels, this is the best run we've had since October. With that in mind, it's also not a surprise to see refinance activity picking up to the best levels since October. The chart below shows this via the Mortgage Bankers Association's refinance application index.

Rich Hayden

Loan Officer, Milestone Mortgage Solutions LLC

milestonemortgagesolutions.com

P: (703) 967-3730

M: (703) 926-4646

rich@richhayden.com

128 Union Street, Suite 101
New Bedford MA 02740

NMLS#189081

NMLS#1815656







As we head into the weekend, the Senate is voting on a bill to avert a government shutdown. The market reaction has generally been good for stocks and bad for rates. Once passage is confirmed, there could be additional follow-through, but it was largely assumed during the trading day on Friday.

Looking ahead, there are several calendar events that could cause volatility next week with important economic reports coming out almost every day. Wednesday afternoon's Fed announcement is already assumed to have zero chance of a rate cut, but markets will still be curious to see how the Fed's rate outlook has evolved since December (The Fed releases updated rate forecasts at only 4 out of the 8 meetings per year).