

# MORTGAGE RATE WATCH

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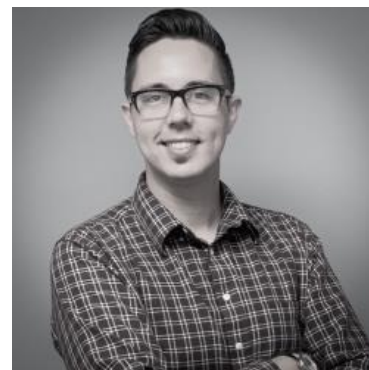
## Mortgage Rates Hold Steady Over The Weekend

Mortgage rates are based on movement in the bond market, and the bond market is closed for most of the weekend. As such, one might assume that Monday's mortgage rates would always be right in line with Friday's. But this is definitely not the case for two reasons:

1. The bond market may not officially open in the U.S. until 8:20am ET, but U.S. bonds begin to trade late Sunday night.
2. Mortgage lenders don't set their rates for the day right when bonds start trading. The average lender waits until around 10-11am ET.

Because of this, there can be quite a bit of movement in bonds before lenders set rates for the day. The only time we'd see Monday's rates hold perfectly in line with Friday's are occasions like today where the bond market was in similar territory to Friday's levels in the 10-11am ET hour this morning.

The sideways drift means mortgage rates continue operating in a narrow range near the lowest levels since mid-October.



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