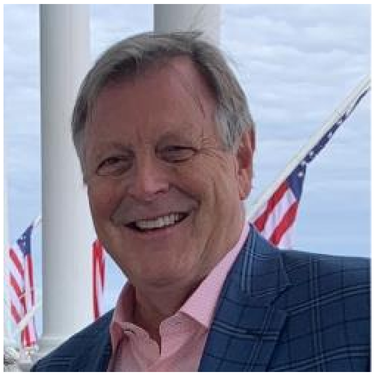
Rates Pull Back Slightly After Stronger Economic Data

After enjoying a calm, steady winning streak so far this week, mortgage rates finally experienced a bump back toward slightly higher levels on Thursday. The move followed the release of a closely watched report on the manufacturing sector.

The economic data wasn't strong in outright terms. In fact, it suggested contraction in the sector. But what matters is that it was stronger than the market expected.

In general, stronger data causes weakness in the bond market which, in turn, results in mortgage lenders offering higher rates. Today's change was just as small as any other day this week. Specifically, The average borrower would barely see a change from yesterday.

Volatility remains a risk, however, with the release of even more important economic data tomorrow morning. At 8:30am ET, the Labor Department releases the Employment Situation (the official name for what everyone simply refers to as "the jobs report"). No other economic data has a more consistent track record of inspiring change in the rate landscape. That said, keep in mind that the potency of any given report is all about **potential.** That potential is only realized if the results are much higher or lower than forecast.



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