

# HOUSING NEWSLETTER

The Week's Most Important Housing News



## Rates Move Up After Stronger Economic Data

Whether you refer to it as "strong," or "not as bad as feared," this week's economic reports were better than the market was prepared for. The result is moderately higher rates.

Interest rates are driven by movement in the bond market, and the bond market is always interested in economic data. Occasionally, the economic data can be boring enough or other events can be important enough to cause a lapse in the typical level of focus. That's arguably what happened in first half of April as traders were preoccupied with reacting to tariff-related developments.

As we noted 2 weeks ago, it looked like economic data was coming back into fashion as a consideration for interest rates after the S&P Manufacturing PMI (purchasing manager's index). Fast forward to Thursday of the present week and it was ISM's version of the manufacturing PMI that moved the needle.

No one would accuse the ISM data of being strong, but several components were noticeably stronger than feared. In addition, price pressures remain elevated--another piece of bad news for interest rates.

In not so many words, the market was waiting for evidence that trade-related uncertainty had begun taking a bigger toll on the real economy--something that would push rates lower, all other things being equal. When the data failed to validate that concern, rates moved back up.

The volatility was minimal on Thursday, but kicked into slightly higher gear on Friday following the release of the big jobs report. Despite some downward revisions to previous months, job creation came in safely above expectations. Not only did the unemployment rate hold steady, but it did so even as more workers entered the labor market.

Taken together, Thursday and Friday completely erased the drop in Fed Funds Rate expectations over the preceding 6 trading days.



**Marc Erickson**

Mortgage Guide, Excel Financial Group, LLC

[www.themortgagemarc.com](http://www.themortgagemarc.com)

P: (720) 295-0704

M: (720) 295-0704

123 N College Avenue  
Fort Collins CO 80524  
1245157





On the bright side, this doesn't constitute any significant damage to the bigger picture. 10yr Treasury yields (a common proxy for longer term interest rates like mortgages) are right in the middle of the lower half of the range going back to October 2024.

## 10 Year Treasury



Mortgage rates are in roughly the same shape as last Thursday, but be aware that the average lender is higher compared to last Friday. Some news articles will suggest this week's rates were lower, but these will almost certainly be based on weekly survey data from Freddie Mac or the MBA. Neither of those surveys was able to capture the higher rates that arrived on Thursday or Friday.

## 30yr Fixed Mortgage Rate Indices

--Freddie Mac Weekly Survey

--MND.News Actual Daily Avg.

--MBA weekly Survey

