

## Remarkable Absence of Mortgage Rate Volatility

It happens, but it's rare. A Fed "dot plot" day has come and gone with mortgage rates almost perfectly unchanged from the previous day. This speaks to the level of indecision not only in the market, but also among Fed members.

First off, what's a "dot plot day?"

The dot plot (or simply, "the dots") refers to a chart/table in the Fed's economic projections that shows where each Fed member sees the Fed Funds Rate at the end of the next few years. These projections only come out on 4 of the 8 Fed days per year and they've grown to be a leading source of volatility for financial markets on those days.

Since it was already a foregone conclusion that the Fed would not be cutting rates today, the market was forced to take its Fed-related cues from the dots and from Fed Chair Powell's press conference. The latter was just slightly negative for rates (i.e. it implied some upward pressure), but the dots did no harm. After the dust settled, the underlying bond market was flat to slightly stronger on the day due to improvement that was in place several hours before the Fed announcement.

Markets are closed tomorrow for the Juneteenth holiday, but will reopen on Friday.



**Dan Farmer**

President & CEO,  
Heartland Financial &  
Mortgage

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

**P:** (844) 515-5626

**M:** (913) 709-5341

7315 West 79th Street  
Overland Park Kansas 66204  
779961

