MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

Highest Mortgage Rates of The Week, Just Barely

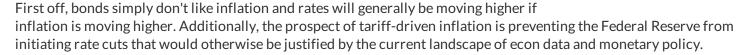
Yesterday, we characterized the prevailing mortgage rate momentum as "broadly sideways," and while that's still very true in the bigger picture, words like "up" and "higher" might need to be sprinkled in this week.

For those with a glass-half-empty approach, today's rates are the highest of the week and the highest since June 24th. For the optimists (and, in our view, the pragmatists), today's rates are virtually identical to those seen on Tuesday. Specifically, our 30yr fixed rate index is only 0.01% higher today--the smallest possible change.

Motivation for movement in rates and in the underlying bond market was in short supply this week. It would make more sense to view it as sort of hangover from last week's party (multimonth lows last Tuesday) followed by a wake up call at the end of last week from the stronger-than-expected jobs report.

Bonds (which drive rates) care about big-ticket economic data and the jobs report is one of the biggest tickets. If there's a worthy competitor at the moment, it's next week's Consumer Price Index (CPI)--an inflation report that may or may not show the onset of tariff-driven inflation.

Why would that matter?



Bottom line: if inflation does NOT show up in a big way in next week's CPI, the market could move fairly quickly to price in expectations for a lower Fed Funds Rate. THAT'S the thing that actually correlates with mortgage rates moving lower (as opposed to the official Fed rate cut that typically ends up being the end of a book that the market has already read).

Of course, the opposite scenario could play out at well (higher-than-expected inflation and another jump in mortgage rates).

There's no guarantee or even any reason to expect one outcome versus another.









1st Choice Mortgage

Mortgage Broker, 1st Choice Mortgage Company, LLC

375Loan.com **P:** (208) 375-5626

3023 E Copper Point Dr Meridian ID 83642 380736



