

MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

A message from Nickolas Inhelder:

We Make Home Happen.™

Our goal is simple:

To help every family we serve get to "Yes."

Yes to the loan that unlocks the joy of home ownership.

Yes to the lending solution that meets every client's unique needs and wants.

That's why we dedicate our every resource to serve as your personal guide through the lending process, solving problems, building confidence. Aslan has access to every lending option leading to the purchase or refinance of a residential home loan.

This is more than work for us. It is our unique joy in this life to share our collective skill, creativity, and care to bring you and your family right to where you belong.

Let's make home happen.

CONTACT ME TODAY



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Mortgage Rates Move Higher Despite Decent Inflation Reading

Mortgage rates are based on bonds and bonds don't like inflation. When inflation reports are higher than the market expected, rates tend to rise, all other things being equal.

But today's inflation numbers were a bit lower than the median forecast. This scenario is typically more likely to push rates lower. Indeed, in the first hour following today's Consumer Price Index (CPI) release, bond trading implied lower rates.

Then things changed.

Recall our closing reminder from yesterday which qualified the conventional wisdom reactions, saying "even then, traders will look into the underlying composition of the number and assess whether changes were driven by tariff-dependent categories. For example, if CPI comes in at 0.2, but it was due to a big shift in rental costs or health care, rates could still rise if tariff-dependent categories showed higher inflation."

This is essentially what happened. The "shelter" component of CPI (the one that measures housing costs and that has been stubborn in moving down as quickly as hoped) fell to its lowest monthly level since inflation first began soaring in 2021. This is great news for inflation in general and it contributed to the initial market reaction.

Then the "yeah buts" showed up. At issue is the fact that tariffs are increasingly having an impact on certain CPI categories. Granted, it's not enough to raise the overall price index above forecast levels, but the market decided it was enough to justify the Fed's "wait and see" approach on rate cuts. Notably, today's reaction in terms of the Fed rate cut outlook was far milder than the reaction after the jobs report 2 weeks ago, but this one is perhaps more frustrating because the headline inflation numbers suggested the opposite move for rates.