MORTGAGE RATE WATCH
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Mortgage Rates End Week Unchanged. Next Week, Probably Not...

It's no great secret that the outgoing week didn't offer much in terms of hotly anticipated events with the power to make or break momentum in the rate market. But as it happened, there was ultimately no impact whatsoever by the time Friday afternoon rolled around. Actually, rates were already 'unchanged' on the week as of yesterday afternoon. Friday just happened to be unchanged as well.

In terms of the bond market movement underlying the mortgage rate stability, we got some help from headlines regarding the improvement in relations between the Trump admin and Fed Chair Powell. After touring the Fed's construction site, the President said these sorts of cost overruns happen and he doesn't want to put them in the category of "grounds for removal," nor is there any pressure for Powell to resign.

In general, the bond/rate market has done better during the moments where it looks like Powell's job is safer. Conversely, longer term bonds/rates have done worse when faced with the prospect of a Fed Chair replacement that would lower short term rates more aggressively (seeming paradox, but actually quite logical to bond traders).

For every degree to which the present week was calm and uneventful for rates, next week brings the heat. There are big ticket events on every single day and the biggest of tickets in the form of Friday's jobs report. As always "potential" volatility doesn't guarantee a big move in either direction. All we know is that odds are higher for big moves--especially after Friday's data.

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