

## Lowest Rates of The Year (Barely) After Powell Speech

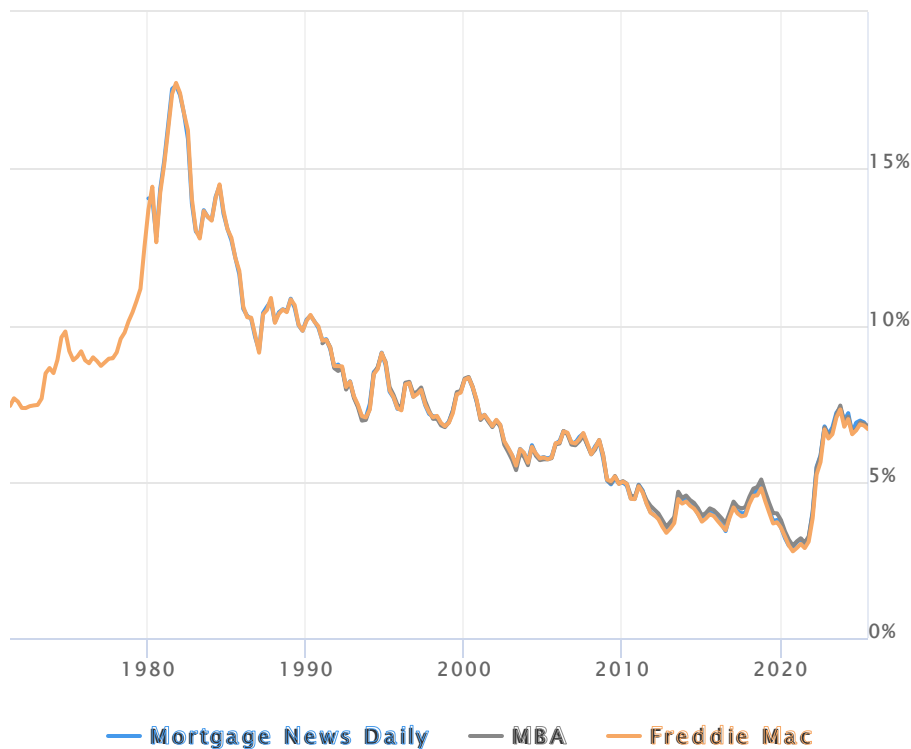
Heading into the week, Fed Chair Powell's speech at the Fed's annual Jackson Hole Symposium was only event on the calendar that held much promise for motivating any major movement in mortgage rates. Not only did it deliver on that promise, but it did so in everyone's favorite direction.

Powell didn't pivot too much from his last major speech on July 30th. But in light of the weak jobs numbers that came out 2 days later, he understandably called out a shift in the balance of risk between inflation and employment.

In not so many words, like several other Fed members have pointed out in recent weeks, Powell essentially said the labor market is looking weak enough to entertain a rate cut in the near future, even as the inflation outlook remains somewhat uncertain.

The market began adjusting for this possibility on August 1st when the rocky jobs numbers came out. Today's speech was interpreted as additional validation of that move.

With that, mortgage rates saw their biggest drop since August 1st, just barely beating out August 13th's lows to claim 2025's lowest spot. October 3rd, 2024 was the last time the average 30yr fixed rate was any lower.



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