

Rates End Week at Best Levels; Next Week Could be Huge

It was a very slow and steady week for mortgage rates. On all 5 days, the average top tier 30yr fixed rate moved by 0.02% or less. This is a small enough change that the average borrower wouldn't see any detectable difference in a loan quote from one day to the next. But due to most of the changes being toward lower rates, Thursday and Friday would be modestly but measurably better than the first 3 days of the week.

This is an ideal scenario for prospective borrower and mortgage professionals. One of the most frustrating and challenging realities of this industry is the extent to which rates can change over short periods of time. So not only did we enjoy the lowest rates in more than 10 months, but volatility was essentially non-existent to boot!

It's not a huge surprise to see this sort of stability given that there were no big-ticket risks on the event calendar this week. That changes in a major way in the week ahead. Right from the outset on Tuesday (Monday is a Federal holiday), there are relevant economic reports on all 4 days. Friday's jobs report is especially important considering it was the last jobs report that was primarily responsible for the recent rally to 10-month lows.

Bottom line: to whatever extent it was unlikely that the outgoing week would see much volatility, the forthcoming week is likely to be just the opposite, for better or worse.

Alan Holom

SVP, Stockman Bank

www.stockmanbank.com

P: (406) 234-8438

2700 King Ave

Billings MT 59102