

MORTGAGE RATE WATCH

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Mortgage Rates Slightly Higher After Upbeat Economic Reports

Thursday was the first day of the week with any meaningful economic reports. This is important to mortgage rates because economic data influences the bonds that determine day-to-day changes in rates. In general, stronger data is bad for rates and today was no exception.

While today's GDP data was for Q2 (and thus fairly stale), it was revised up from 3.3 to 3.8 which is a fairly big jump. In separate reports, the level of weekly jobless claims fell to much lower than expected levels and a report on big ticket manufactured goods showed much stronger demand than expected.

All of these reports came out at 8:30am ET, which is roughly an hour before mortgage lenders begin setting rates for the day. This gives the bond market time to move to weaker levels resulting in mortgage lenders setting higher rates.

Fortunately, the damage in the bond market was modest and the average lender didn't drift too much higher versus yesterday's latest levels.

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