

Mortgage Rates Near 2-Month Highs After Today's Econ Data

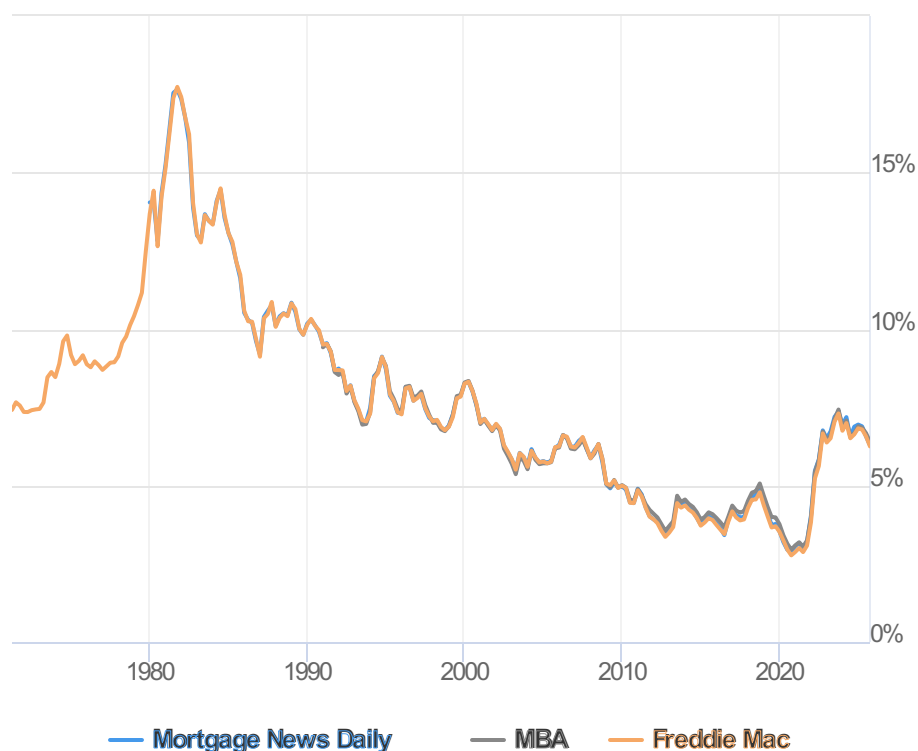
A common recent refrain is that the bond market (which dictates interest rates) is having to make do without many of the most important regularly-scheduled economic reports due to the government shutdown. While this means rates must "fly blind" on many of the days that would normally coincide with these government economic reports, there are other days that still play host to top-tier non-government data. Today boasted not one--but two such reports. Unfortunately for rates, both reports were unfriendly.

Rates tend to benefit from economic weakness. As such, when reports are stronger than expected, it pushes rates higher, all else equal. Today's reports were both stronger.

ADP's monthly employment tally came in at 42k versus a median forecast of 25k. This isn't an especially large margin of victory, but it was enough to cause weakness in bonds earlier this morning. Less than 2 hours later, the most widely-followed report on the health of the services sector also showed stronger-than-expected results. Bonds continued to weaken after that, ultimately forcing lenders to raise rates back to levels just under those seen in late September.

If things had been even a little bit worse, we'd be at the highest rates in just over 2 months. As it stands, we're close enough. MND's 30yr fixed index rose to 6.37% today. September 25th's level was 6.39, and that's as high as we've been since September 4th.

In the bigger picture, rates are still much closer to 2025's lows as opposed to the highs, but there's been a palpable shift since the Fed meeting at the end of October.



Mark Ingram

Broker Owner, Ingram Company

www.ingramcompany.net

P: (949) 378-1701

M: (949) 378-1701

170 E. 17th St. #200G

Costa Mesa CA 92627

CADRE: 01226769

NMLS: 371141/358879