

## Rates Mostly Steady, But Some Signs of Trouble in The Afternoon

It was a complicated day for mortgage rates. Officially, at the time of this article, the average top tier 30yr fixed rate is a hair lower than it was yesterday. But rates are based on bonds and bonds are telling a different story.

In the wake of the release of the minutes from the most recent Fed meeting, bonds lost ground. This implies higher rates. The only reason it hasn't resulted in higher rates today is timing. Specifically, the bond market losses just happened and most lenders have not yet made any adjustments.

The implication is that tomorrow morning's rates would be higher than they are today assuming bonds don't change between now and then.

An additional layer of complication is that we'll receive the September jobs report at 8:30am ET tomorrow. Because most mortgage lenders publish their rates between 9:30am and 10:30am ET, this means there will be another source of probably volatility to digest before rates come out.

Bottom line: if tomorrow morning's jobs data is much stronger than expected, rates would be quite a bit higher. But if the jobs report is weaker, it could offset the bond market losses seen this afternoon, thus keeping rates relatively unchanged.

**Alan Holom**

SVP, Stockman Bank

[www.stockmanbank.com](http://www.stockmanbank.com)

P: (406) 234-8438

2700 King Ave

Billings MT 59102