

Mortgage Rate Winning Streak Ends, But Just Barely

On some occasions, a rate announcement from the Federal Reserve (even one that results in no change to the Fed Funds Rate) can cause a huge move in mortgage rates. Today was not one of those days, but in its defense, it was never that likely to be.

In order for a Fed announcement to have a big impact, it has to surprise the market in some way. A rate cut (or absence thereof) is rarely a surprise these days. Instead, the market is more likely to receive new information via the Fed's economic projections and the Chair's press conference.

Economic projections come out every other meeting and this wasn't one of them. So any chance of excitement rested with Powell's press conference. But Powell stayed perfectly on-script, striking a balance between hope and caution.

Financial markets agreed. There was essentially no reaction to any of today's Fed events in stocks or bonds. Flat bonds = flat mortgage rates all else equal. Today's average rate was microscopically higher than yesterday's, but that happened well before the Fed announcement and not for any specific reasons.



Marc Erickson

Mortgage Guide, Excel
Financial Group, LLC

www.themortgagemarc.com

P: (720) 295-0704

M: (720) 295-0704

123 N College Avenue
Fort Collins CO 80524
1245157



Ehric Wolfe

REALTOR®, Coldwell
Banker Realty

www.coloradowolfehomes.com

P: (970) 691-5299

ehric@coloradowolfehomes.com

3665 John F Kennedy Parkway
Fort Collins CO 80525

