

MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

Mortgage Rates Only Modestly Higher Despite Bond Market Weakness

Weakness in the bond market generally means higher mortgage rates. Today was no exception. A key economic report on the manufacturing sector was much stronger than expected. Bonds lost ground as a result and mortgage lenders were forced to set rates higher than Friday's latest levels.

But the caveat is that the average lender was only marginally higher. The level of movement in the bond market suggested a bigger change. In other words, mortgage rates fared a bit better than the market suggested.

When this happens, it's most frequently due to timing. If bonds lose ground moderately, but those losses happen **after** mortgage lenders announce the day's rates, many lenders will simply wait until the following day to adjust rates accordingly. This could explain some of today's resilience.

Justin Grable

President of Mortgage Lending, ABLE Mortgage

www.ABLEMortgage.com

P: (951) 899-0009

M: (951) 899-0010

justin@ablemortgage.com

41923 Second St.

Temecula CA 92592

NMLS 246763

CADRE 01411989

ABLE
MORTGAGE