Mortgage Rates Slide to New Multiweek Lows

Just one day after an incredibly strong jobs report--something that would normally create problematic upward momentum for rates--the average lender is back to the lowest levels since January 16th. At the risk of overusing a played-out metaphor, this was not on many experts' bingo cards.

Even with the benefit of hindsight, it's not entirely possible to justify what we've seen over the past 2 days without jumping to conclusions and making educated guesses. Said guesses would rely on somewhat esoteric concepts regarding the way investor demand ebbs and flows between different Treasury securities (i.e. 2yr vs 10yr, etc).

More volatility could be on the way tomorrow. The BLS will release the Consumer Price Index (CPI) for January. This is the first major inflation report that comes out on any given month. Because inflation is a key consideration for rates, if CPI is meaningfully above or below the median forecast, rates often react accordingly.

Tan & Samantha Tunador
VP | Sr Loan Officer Team, Atlantic Coast Mortgage,. LLC
www.TheTunadorGroup.com
P: (703) 919-5875
M: (703) 328-0628
tan@acmllc.com
20365 Exchange Street
Ashburn Virginia 20147
NMLS ID 1166669
NMLS ID 2408374

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