

MORTGAGE RATE WATCH

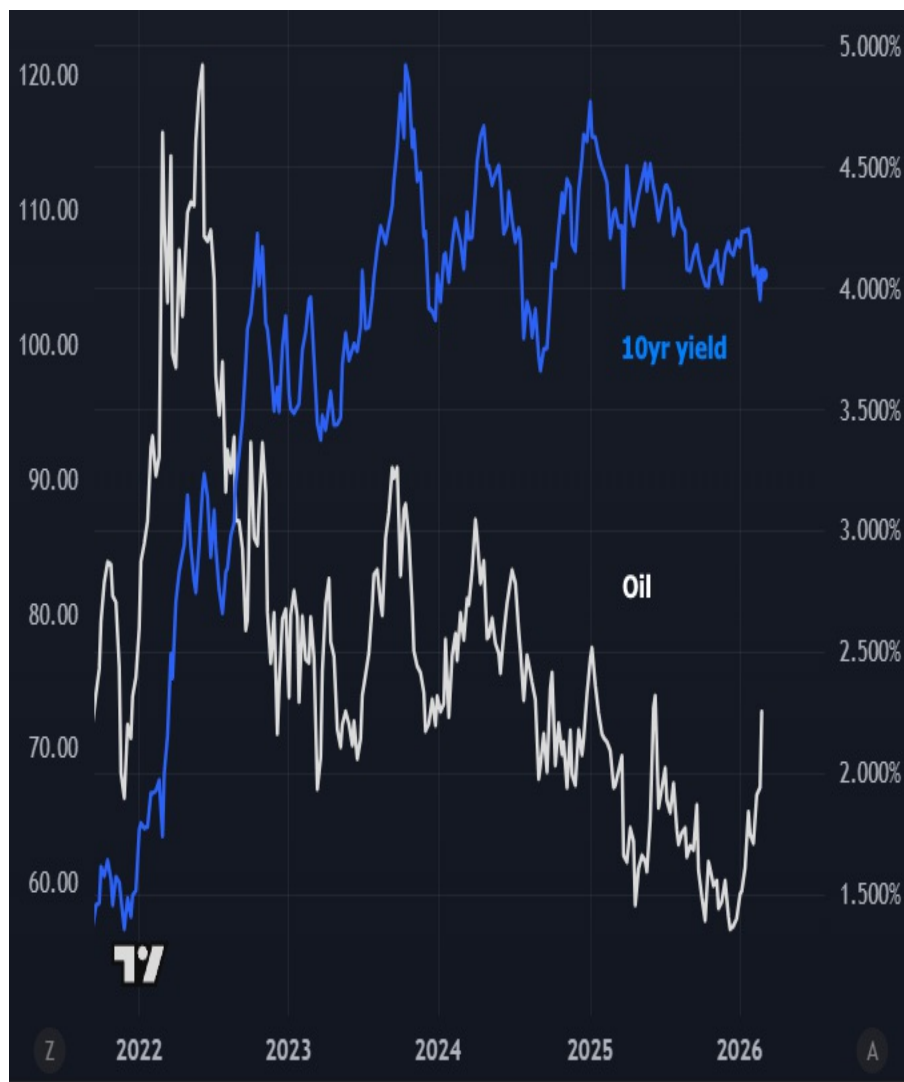
Daily Coverage. Industry Leading Perspective.

Mortgage Rates Jump Back Into The 6's

Mortgage rates began the new week with a fairly quick jump back into the low 6% range (top tier 30yr fixed rate for the average lender). With the news cycle very focused on developments in Iran, most coverage attempts to correlate geopolitical events with market movement.

The only legitimate way to do this would be to say that upward pressure on oil prices is translating to higher inflation implications and therefore higher rates. At many times in the past, this would be a solid conclusion. To some small extent, a case could even be made for this correlation accounting for a portion of today's weakness.

But most of the big, directional moves in oil prices over the past 2 days have failed to correlated with big moves in the bond market. Even when we zoom out to wider frames of reference, we see counterintuitive developments over the past several years. When oil peaked around \$120/bbl in 2022, 10yr Treasury yields were around 3%. When oil fell sharply into 2023, bond yields continued moving up and have held flat for the last few years even as oil gently declined.



Jeffrey Chalmers

Senior Loan Officer,
Movement Mortgage
Licensed: CA, FL, MA, ME,
NH, VT

[ClicknFinance.com](https://www.ClicknFinance.com)

M: (774) 291-6527

jeffrey.chalmers@movement.com

99 Rosewood Dr, Suite 270
Danvers MA 01923

NMLS #76803

NMLS #39179



Ashley Gendreau

Buyer & Listing Expert,
LAER Realty Partners

www.AshleyGendreau.com

P: (603) 685-4495

M: (603) 361-0561

agendreau@laerrealty.com

173 Chelmsford Street
Chelmsford MA 01824

MA License #9579621

NH License #074016

Nonetheless, there are also pockets of correlation where we can see the two lines moving in the same direction. The only problem with that is that oil and rates can both respond to a third variable: economic strength. On that note, this week's economic data may be just as big of an influence on rate momentum while geopolitical developments represent a wild card that can create a backdrop of volatility.

