

Mortgage Rates Recover Moderately After Starting at 3-Week Highs

After spending the entirety of last week calm holding the lowest levels in more than 3 years, mortgage rates jumped sharply higher yesterday. That said, everything's relative. Even after that "sharp" increase, the average rate was still one of the lowest in years apart from last week.

There was slightly more cause for concern this morning as the underlying bond market increasingly swooned. When bonds lost ground, rates move higher. But unlike yesterday, which involved pervasive gradual weakness throughout, today saw a meaningful recovery shortly after the market opened.

Bonds ended up making it almost all the way back to 'unchanged,' thus allowing most lenders to reissue revised rates that were slightly lower than this morning. The average lender didn't make it quite back to yesterday's latest levels, but the market movement offered an important proof of concept. Specifically, we're not necessarily destined to see a runaway rate spike in the coming days.

As always, there's an important caveat: we're not necessarily destined to see anything at all when it comes to the future of rate movement. Depending on the outcome of economic data, rates could continue higher or recover back toward recent lows. Geopolitical developments can continue adding volatility for better or worse. If there's one take away, it's simply that volatility risks are much more pronounced this week compared to the past 2 weeks.



Casey Sullivan

Sr. Loan Officer, The
Sullivan Group at
CrossCountry Mortgage

www.thesullivangrp.com

P: (925) 395-4212

casey@thesullivangrp.com

2125 Oak Grove Rd. Ste. 328
Walnut Creek CA 94598

NMLS237837 & CCM NMLS3029



Sullivan GROUP
CROSSCOUNTRY MORTGAGE



EQUAL HOUSING
OPPORTUNITY