MORTGAGE RATE WATCH
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Mortgage Rates Move Back Down Despite Stronger Data

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Economic data is one of the few consistent sources of motivation for interest rates in the mortgage world and beyond. In general, stronger data tends to push rates higher and vice versa. But in today's case, that correlation didn't pan out.

The first of today's two important economic reports was ADP Employment. It was just barely stronger than expected, so it's no surprise that rates didn't react. The second report (ISM Services) was quite a bit stronger, with the headline index hitting its best levels since 2022.

On a vast majority of other occasions, such a result would create some clear upward pressure for rates. We can only speculate as to the absence of a reaction this time. Perhaps it was the component that tracks inflation falling to the lowest level in nearly a year. Perhaps the market is more preoccupied with geopolitical considerations.

Regardless of the reasons, we're not upset with the outcome. Rates moved about halfway back down to their recent lows after spending a few days at 2 week highs to start the week.

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