

MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

Mortgage Rates Move Back Up Near Recent Highs

Mortgage rates got hit 3 times on Wednesday, with the net effect being a move back up to the highest levels in several months. The average lender isn't quite as high as they were last Friday, but after late-day "reprices" many are fairly close.

The least of the bond market's concerns (bonds dictate rates) was this morning's inflation data. The Producer Price Index (PPI) was higher than expected on multiple fronts, including those that translate directly to higher consumer prices in the more robust PCE inflation data that comes out on April 9th. Higher inflation = higher rates, all else equal.

Inflation also figured into the morning's other development: a renewed surge in oil prices. Granted, it's not as big as some of the recent spikes, but as crude jumped roughly \$6 per barrel, bond yields followed with a strong correlation.

The 3rd market mover was also inflation-related, but this time in the form of Fed comments. Fed Chair Powell's characterization of inflation progress left the market feeling hopeless regarding potential rate cuts any time soon. As always, it is the market's rate cut expectations that actually correlate with interest rate movement (whereas actual Fed rate cuts are old news by the time they happen).

Today's post-Fed press conference resulted in financial markets moving expectations for the next rate cut out to April of 2027. A day ago, the market saw no chance of a rate HIKE at the next Fed meeting. Today, it's nearly 5% (not high, but a notable shift nonetheless).



Nathaniel Rutkoski

Mortgage Broker, Zoom Loans

www.ZMLoans.com

P: (408) 767-6311

M: (209) 362-4843

2140 W Grantline Rd
Tracy CA 95376

NMLS# 356590

ZOOM LOANS



Melissa Jimenez

Realtor, Realty ONE Group
Zoom

melissajimenezrealtor.com

P: (209) 627-0612

mjrealestate12@gmail.com

01916015



