Rates Drop Sharply to One Week Lows

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Mortgage rates began the day in uneventful fashion with the average lender right in line with yesterday's latest levels. Things might have gotten off to a slightly better start, but higher inflation in this morning's econ data and discouraging war-related headlines put upward pressure on bond yields (yields and rates are technically the same thing and they move in the same direction).

The bulk of the day remained uneventful but that changed abruptly at 1:30pm when news circulated that Trump cancelled today's planned air strikes and said that both sides had approved final details of a permanent ceasefire, and that a time/place of a deal signing would be announced shortly. Markets reacted swiftly with stocks rallying, oil falling, and rates dropping.

Mortgage lenders prefer to set rates only once per day, but they will make mid-day changes if the underlying bond market makes a big enough move. Today's was easily big enough, and a vast majority of lenders made friendly revisions to their daily rate offerings in short order. The net effect brough the average lender to the lowest levels since last Thursday.

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