

# MORTGAGE RATE WATCH

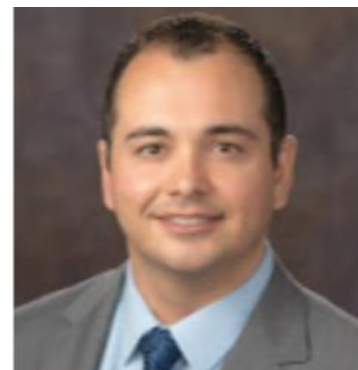
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## Rates Hold Mostly Steady Despite Bond Market Improvement

Mortgage rates may be based directly on the bond market, but the two don't always move in perfect lock-step. Today was a good example of that. Bonds improved enough for rates to move modestly lower according to typical correlation. Instead, the average mortgage lender improved by the smallest possible amount that we register on our daily rate index.

When this happens, it's often able to be explained by the timing of intraday volatility in the bond market and that's generally the case this time around. Simply put, yesterday morning's best levels lined up with this morning's weakest levels even though the bulk of today's trading took place in moderately stronger territory.

There was no major intraday volatility tied to any news headlines or economic reports. Tomorrow is also fairly quiet on the scheduled data front, but the calendar heats up a bit on Thursday morning.



**John Knowles**

Mortgage Banker & Broker,  
DCI Mortgage

[www.dcimortgage.com](http://www.dcimortgage.com)

**P:** (408) 657-3780

**M:** (408) 657-3780

4100 Moorpark Avenue 122  
San Jose California 95117  
257332