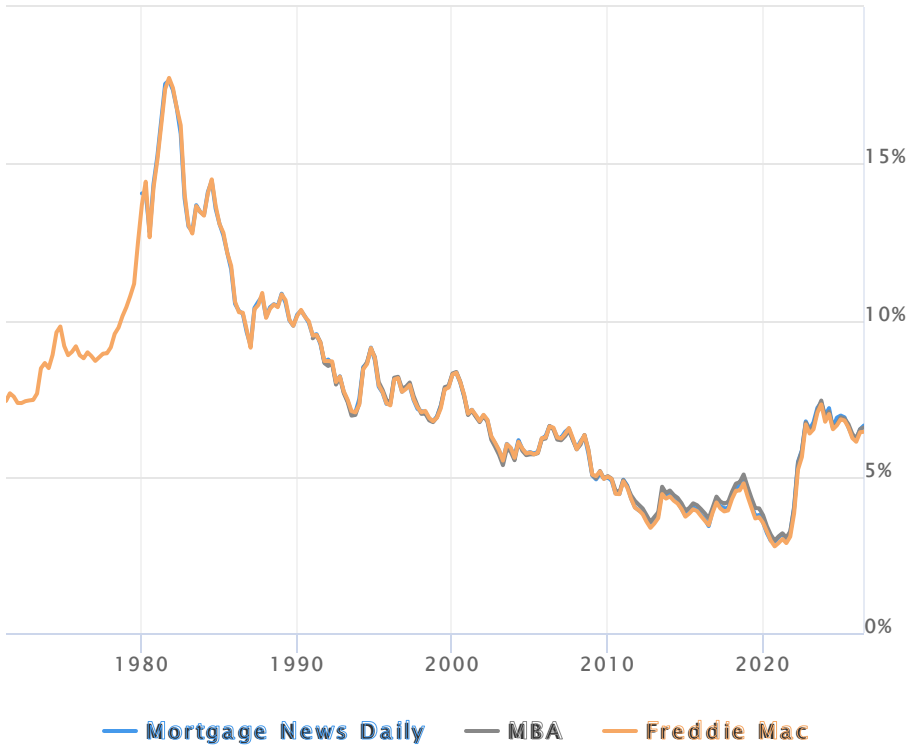
Mortgage Rates Back Up Near 10-Month Highs

Mortgage rates have moved higher at a moderate pace over the past 2 days as tensions between The U.S. and Iran see a resurgence. As far as the underlying bond market is concerned, most of the damage was done yesterday. But today's news added emphasis when Trump declared the ceasefire to be over.

Rates are based on bonds, but mortgage lenders prefer to set rates once per day and only change them if bonds make a big enough intraday move. That meant the average lender had to play some catch-up with bond market movement this morning.

All that to say that bonds didn't have nearly as rough of a day today even though mortgage rates rose just a bit more than they did yesterday. Perhaps that offers some hint that the underlying market may be reaching some sort of supportive ceiling, but it really depends on exactly how much the war re-escalates.

The average top-tier 30yr fixed rate is back up to 6.68%, matching its second highest level in more than 10 months. May 19th's level of 6.75% is the official 10-month high.



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