Mortgage Rates Roughly Unchanged Despite Bond Market Improvement

Mortgage rates had a tough day on Friday, largely in response to bond market volatility surrounding heavy forex trading as a part of US/Japan efforts to prop up Japanese currency (not a common source of inspiration for rates). Higher oil prices didn't help.

As we begin the new week, de-escalation in the Iran war pushed oil prices much lower. As has been the case frequently during the war, bond yields followed oil prices in relative lock-step.

While it's almost universally true that lower bond yields beget lower mortgage rates, there are occasionally days where the correlation isn't as strong as normal. Today was one of them.

Whether or not any given lender was lower than Friday depends largely on whether they raised rates in the middle of the day on Friday. The average lender is still fairly close to the rates seen on Friday morning. Lenders who raised rates on Friday afternoon are generally a bit lower today.

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