

MORTGAGE RATE WATCH

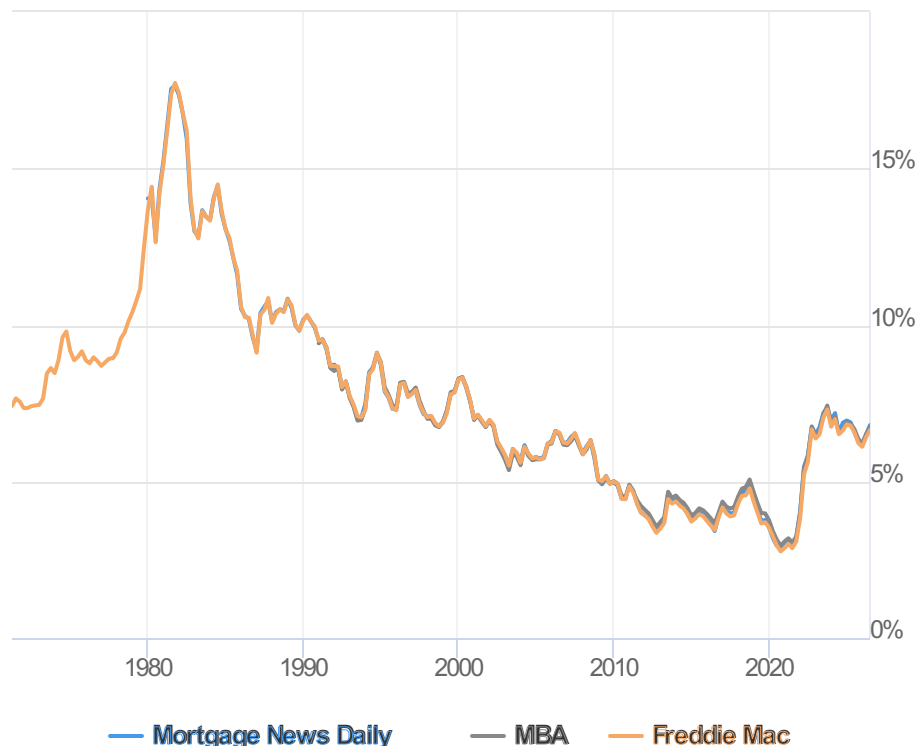
Daily Coverage. Industry Leading Perspective.

Lowest Mortgage Rates in Nearly 4 Weeks

Mortgage rates dropped noticeably on Thursday on a combination of lower oil prices and a lower inflation reading via the Producer Price Index (PPI). Rates are driven by bonds and bonds are highly responsive to the outlook for inflation and the economy. The Iran war caused inflation implications to spike and the periodic relief in fuel prices has coincided with bond market improvement (and lower rates).

The official inflation data is just another form of the same benefit. Fuel prices are just one aspect of inflation--albeit a critical one, but they're more of a leading indicator. In contrast, big government data like PPI and yesterday's CPI (Consumer Price Index) help the market more accurately measure the true impact of fuel prices.

PPI was only slightly lower than expected, but that was enough to account for most of today's improvement in rates. Top tier 30yr fixed rates fell 0.05% to 6.69% for the average lender. That's the lowest reading since July 17th--just one day shy of 4 weeks ago.



Mike Mihelcic

Associate, Re/Max Alliance

www.remax.com/.../102293806

P: (618) 656-2111

M: (618) 339-5752

remaxmike2012@gmail.com

1121 University Drive
Edwardsville IL 62025



Drew Stiegemeier

Mortgage Banker, Frontier Mortgage

frontierhomemortgage.com/drew

P: (636) 898-0888

M: (618) 779-7507

1406168

