

MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

A message from Nickolas Inhelder:

We Make Home Happen.™

Our goal is simple:

To help every family we serve get to “Yes.”

Yes to the loan that unlocks the joy of home ownership.

Yes to the lending solution that meets every client’s unique needs and wants.

That’s why we dedicate our every resource to serve as your personal guide through the lending process, solving problems, building confidence. Aslan has access to every lending option leading to the purchase or refinance of a residential home loan.

This is more than work for us. It is our unique joy in this life to share our collective skill, creativity, and care to bring you and your family right to where you belong.

Let’s make home happen.

CONTACT ME TODAY



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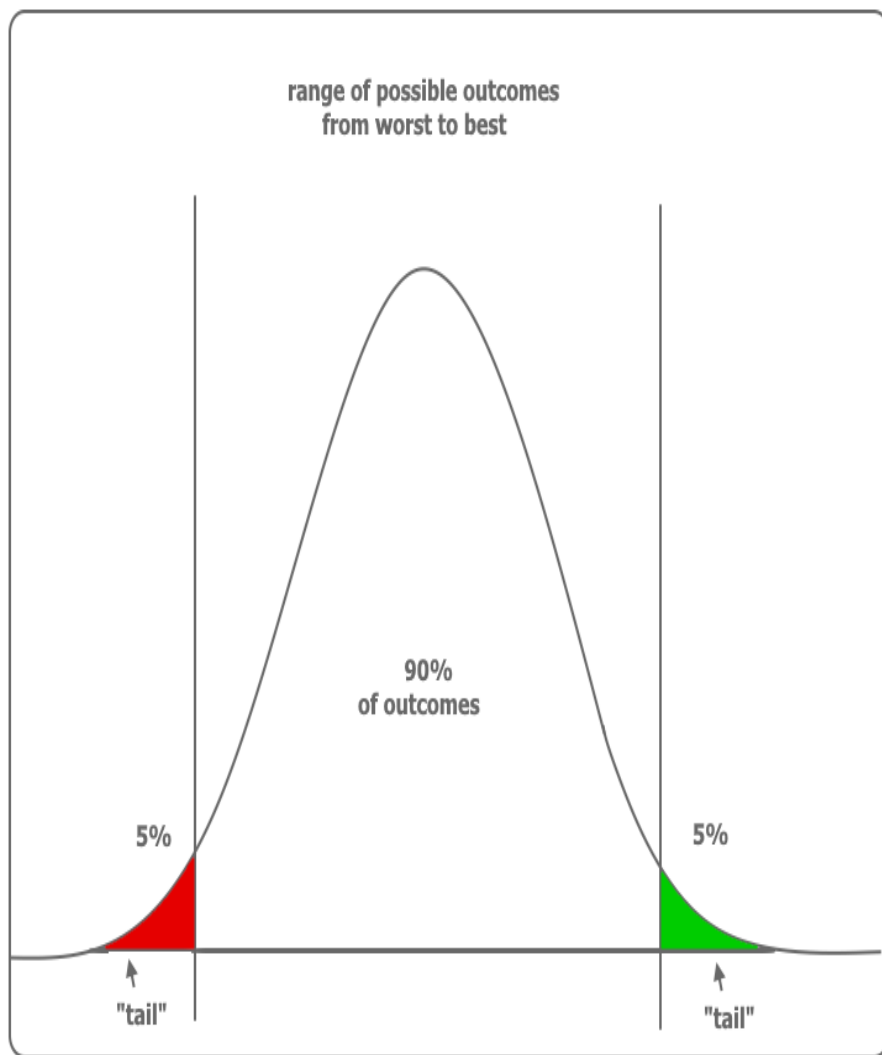
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Mortgage Rates Match Highest Level Since May 2024

The day began like many others over the past several weeks. Bonds hadn't moved much overnight, but were paying some attention to slightly higher oil prices. 10yr Treasury yields were still in the familiar September range between 4.93% and 5.01%, and there was limited economic data on tap that threatened to upset the apple cart.

Now let's talk about tail risk. It refers to a distribution of potential outcomes for something that can be reasonably forecasted with a margin of error. A vast majority of the outcomes fall in the main body of the parabolic distribution, but occasionally, an outcome will fall at one of the tails.



While this week's economic calendar is indeed very light, today's lineup included a report that can have a big impact on rates on very rare occasions. The results of that report were so much stronger than expected as to constitute "tail risk" territory.

This is a particularly bad time for such tail risk as far as the rate market is concerned. Only yesterday, we had Fed speakers reminding us that if the economy proved to be hotter than expected, the rate hike outlook shared at last week's Fed announcement would be "too low." Today's data immediately forced the market to consider the risk that next week's data (which is much more important) conveys a similarly strong message.

The result was a rapid shift in Fed rate expectations for next year. While longer term rates don't react to a Fed rate hike after the fact, they're more than willing to react to changes in rate hike expectations. 10yr Treasury yields jumped over 5.1% and the average top-tier 30yr fixed rate jumped 0.09% to 7.26%. This matches the high seen in early 2025. At this point, we'd have to go back to May 1, 2024 to see anything higher.

