

MORTGAGE RATE WATCH

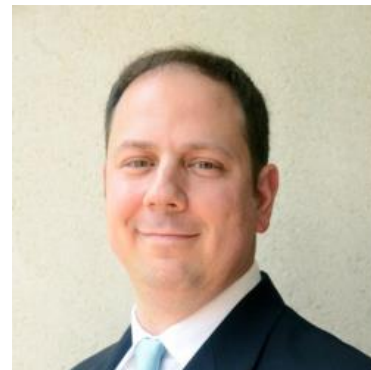
Daily Coverage. Industry Leading Perspective.

Mortgage Rates Rise to 7.58%

Mortgage rates moved higher again on Tuesday as the bond market continues recalibrating expectations for Fed policy, economic growth, and inflation. The weakness is especially frustrating considering a fairly large drop in oil prices today, but as we discussed yesterday, rates have a lot more on their mind than oil these days.

Our top-tier 30yr fixed rate index rose from 7.50 to 7.58% today--the highest since November 1st, 2023. In this sense, mortgage rates are doing much better than their often-cited benchmark, the 10yr Treasury yield, which is the highest level since 2007. That's because mortgage rates are directly based on mortgage-backed securities (MBS) and not U.S. Treasuries, and MBS have been outperforming Treasuries relative to 2023's levels.

Today's economic data didn't offer meaningful relief although it wasn't a driver of today's upward pressure. We're seeing more and more evidence that at least some of that pressure has to do with factors such as the quarter-end trading environment which transcends news headlines and economic reports. This doesn't necessarily mean that rate momentum will reverse on October 1st, but the month could at least restore a more logical relationship between typical causes and effects.



Michael Levine

Senior Loan Officer,
CrossCountry Mortgage

M: 914-391-1183

2900 Westchester Ave.
Purchase NY 10577-____
307827