MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

A message from Tan & Samantha Tunador:

If you are ready to explore homeownership, lets open up a conversation to help you navigate the best route for you with down payment & monthly payment options. Finance programs are unique like you and one size does not fit all. The next step is a simple online application so that we can get you preapproved and ready to look for the perfect home. Unlike shopping for a car or rental applications, the credit pull to buy a home is not a derogatory. Homeownership and wealth building is the goal for all. Would you like to schedule time to chat? If you are a Realtor, would you like this calculator co-branded?

Mortgage Rates End Higher Despite Promising Start

Mortgage rates rose 0.04% today to an index value of 7.57% for a top-tier 30yr fixed scenario for the average lender today. That uptick in and of itself isn't especially large, but it's a bit counterintuitive on a day where the hotly anticipated jobs report came in much weaker than expected.

The jobs report has 2 key components: Nonfarm Payrolls (NFP) and the unemployment rate. For most of the time any rate watcher can remember, NFP matters way more. The market still reacts to it (which is why bonds initially improved this morning), but unemployment has arguably taken the lead in terms of accurately capturing labor market trends.

Even then, today's unemployment rate of 4.2% (up from 4.1% last month) shouldn't have been a problem. The catch was that the unrounded numbers made the gap even smaller (4.175% vs 4.141%). Additionally, more people entered the labor force. If the labor force had held steady with last month, today's unemployment rate would have been 3.951%. None of those numbers is particularly troubling for the employment outlook, but 3.951% especially so.

That helped explain why bonds eventually gave back their early gains, along with a rebound in oil prices and easing concerns about European bond markets that had helped U.S. rates move lower yesterday.

When bond gains evaporate, mortgage lenders may be forced to raise rates during the day. This happened on multiple occasions. The average lender was actually slightly lower at first, but ultimately ended higher compared to Thursday's latest levels.

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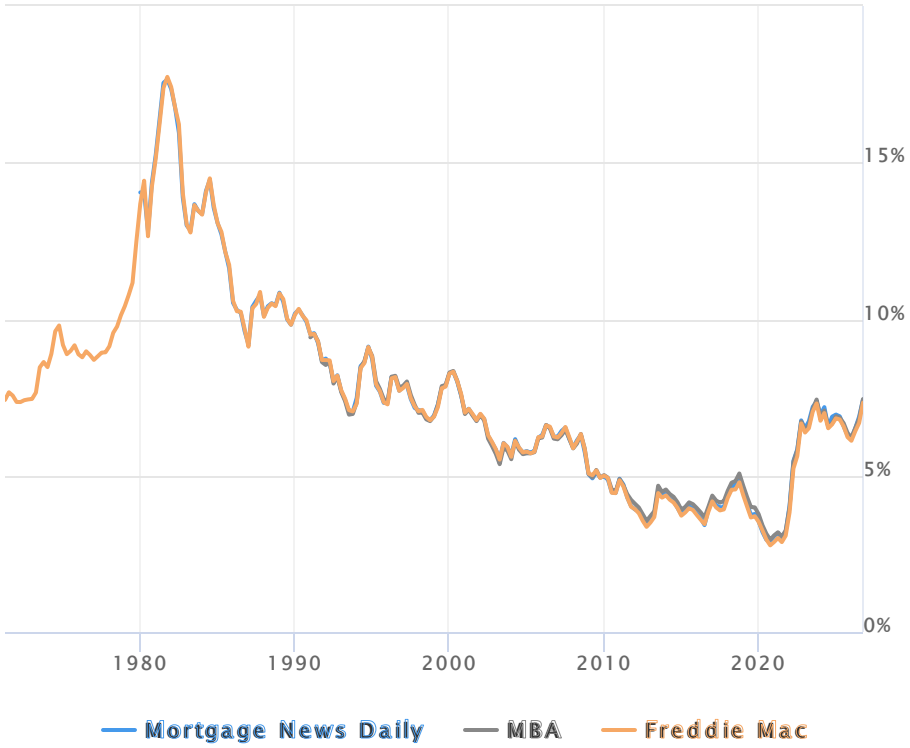

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