Mortgage Rates Slightly Higher Today, But Sharply Lower This Week

After dropping sharply over the past 5 days, mortgage rates finally reminded us that they're still capable of moving higher. Thankfully, today's bump was modest in the recent context, only adding 0.04% to a 30yr fixed that had fallen 0.27% since October 7th.

Even though today's losses were minimal, they're potentially informative. Much of this week's improvement can be traced to concerns surrounding tech companies, and possible warning signs about a reduction in AI-related spending/investment throughout the sector.

While it's too early to draw any conclusions about such things, we can certainly observe a strong correlation between tech stocks and interest rates as of October 8th. What's notable about today is that rates refused to follow tech stocks any lower, even though the NASDAQ had an even worse day than it did on Wednesday.

The counterpoint--if there is one--is that oil prices launched higher, which may have prevented bonds/rates from getting too excited. Still, oil has been moving higher during the same time frame that rates have been improving, so one could easily ask "why does oil suddenly matter now?" There's not really a great answer to that question, so we're left to conclude that bonds/rates are feeling a bit of resistance after this week's bull run.

April Palacios
Branch Sales Manager, Fairway Independent Mortgage Corporation
P: (980) 290-4140
M: (704) 989-2961
6431 Old Monroe Rd, Suite 201
Indian Trail North Carolina 28079
124941

Jennifer Buenau
Broker/REALTOR, Keller Williams Select
https://youknowbuenau.com/
M: (845) 800-5878
jennybsellsthecarolinas@gmail.com
6431 Old Monroe Rd Suite 201
Indian Trail NC 28079

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