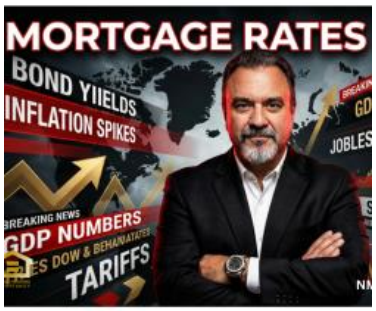
Mortgage Rates Hold Steady at Lows Despite Stronger Jobs Report

Today was an odd one for mortgage rates. Anyone who's been following the rate market for very long will tell you that the monthly jobs report is one of the most reliable source of volatility for rates. In general, when job growth is much stronger than expected, rates rise and vice versa.

But in today's case, rates managed to hold perfectly flat despite the jobs report absolutely crushing expectations. Understand that no one who is offering a reason for this would have predicted this result if they knew the jobs numbers ahead of time and were simply asked to predict how rates would react. In other words, the only reason you're getting their explanations is because the paradoxical market reaction demanded a different narrative.

The only things that were true both before and after the jobs report were as follows:

- The Fed recently said it was almost exclusively focused on the inflation side of its dual mandate (stable prices + maximum employment).
- Bonds/rates have been preoccupied taking cues from concerns about the tech sector and heavy selling in tech stocks.
- Bonds/rates/stocks are still in the process of making sense of this week's election results.
- Markets have been more interested in the unemployment rate component of the jobs report than the payroll count (it was the latter that really surged in today's data).



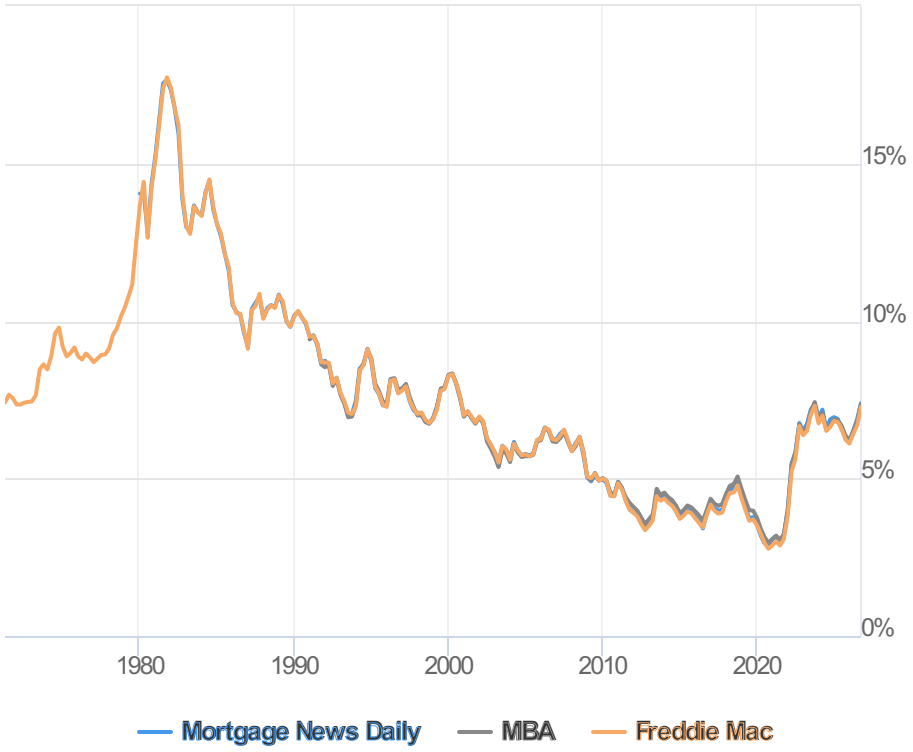
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None of these bullet points would have fully predicted the paradoxical resilience in rates today, but they perhaps help get us close to wrapping our minds around it. At the end of the day, the average lender was right in line with yesterday's levels--the lowest since September 22nd.



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