MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

A message from Marc Erickson:

For informational purposes only. This is not a commitment to lend or extend credit. *Information and/or dates are subject to change without notice. All loans are subject to credit approval. Rates vary based upon market conditions and borrower qualification.*

Mortgage Rate Sharply Higher After Inflation Data

Rates enjoyed a remarkably calm winning streak over the past month with the worst single day resulting in a 0.06% increase for a top tier 30yr fixed loan and the average day seeing a 0.02% decline. That streak was dealt its first serious blow today following a hotter than expected in the Consumer Price Index (CPI)--a key inflation report.

Even though the Fed's official inflation target is based on Personal Consumption Expenditures (PCE), we'll be waiting another 2 weeks for that report to come out for the month of October. CPI (the one we got today) always comes out earlier in the month and because much of the data flows through to the more robust PCE data set, CPI reliably produces more volatility for the bond/rate market.

Today's report showed broad-based price pressures with only a small handful of categories seeing any improvements. Naturally, the categories most closely tied to higher fuel prices were the worst, but many non-fuel-related categories were surprisingly high.

Given that the Fed explicitly said it was more focused on the inflation component of its job description at the moment (as opposed to the "full employment" component), we were expecting today's data to carry far more weight than last week's jobs report. The reaction was logical an immediate. When the dust settled, the average top tier 30yr fixed rate was 0.12% higher day over day at 7.30%.



Marc Erickson

Mortgage Guide, Excel Financial Group, LLC

www.themortgagemarc.com

P: (720) 295-0704

M: (720) 295-0704

123 N College Avenue
Fort Collins CO 80524

1245157



Ehric Wolfe

REALTOR®, Coldwell Banker Realty

www.coloradowolfehomes.com

P: (970) 691-5299

ehric@coloradowolfehomes.com

3665 John F Kennedy Parkway
Fort Collins CO 80525

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

While that's the largest one day increase in over a month, it's still quite a bit lower than the 7.6%+ levels seen in early October.



© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.