

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Another Move to Long Term Lows 'Just Because'

Market Summary: Wednesday, October 19, 2022 - 5:29PM

Today began with more upward pressure on yields, apparently due to a higher-than-expected inflation report in the UK. That jived with much of the recent analysis which gives plenty of credit to UK market volatility for spilling over to the US. A closer look at this week's US vs UK yields shows a breakdown in the recent correlation--one in which US yields are continuing higher while UK yields are recovering. We were left with explanations so unsatisfying that they may as well be filed under "just because."

### Latest Video Analysis



Another Move to Long Term Lows 'Just Because'.mp4



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### Today's Mortgage Rates

|            |       |        |            |       |        |            |
|------------|-------|--------|------------|-------|--------|------------|
| 30YR Fixed | 7.22% | +0.07% | 15YR Fixed | 6.55% | +0.17% | 10/19/2022 |
|------------|-------|--------|------------|-------|--------|------------|

## Another Day, Another 20 Year High in Rates

There's no sense in beating a dead horse or wading through another "same story, different day" assessment of rates. They were already at 20 year highs yesterday, so even a modest move higher would obviously enable the same claim. And it ended up being more than modest.

New scapegoats for today's move are in short supply. Rate momentum is broadly negative. Traders remain unwilling to catch the falling knife of bond prices (lower bond prices = higher rates, all other things being equal), and it will take a sustained shift in economic data and inflation to bring about a sustained shift in rates.

The average lender is now well into the 7s for top tier conventional 30yr fixed rate offerings--in many cases, mid-to-upper 7s.

### Recent Housing News

- Housing Starts Slide While Building Permits Improve
- Mortgage Application Volume Hits 25-Year Low
- Record Annual Decline in Builder Confidence

## 20 Year High Rates as Inflation Persists. Any Hope in Sight?

Unsurprisingly, the market remains intently focused on inflation as the key driver of Fed policy and rate volatility. This week, the biggest inflation report combined with more UK market drama to push rates to another 20yr high. The UK doesn't typically factor into our assessment of market movement in the US, but the past 3 weeks have been a notable exception. The following chart sho...

### Mortgage Calculators

-  Mortgage Payment w Amortization
-  Loan Comparison
-  Advanced Loan Comparison
-  Early Payoff
-  Should I Refinance?
-  Rent vs. Buy
-  Blended Rate