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Market Update for Dec 13, 2023

Understanding Today's Mortgage Market

Current Mortgage Rates

Good news for those keeping an eye on mortgage rates! This morning, we're seeing a slight improvement compared to yesterday. However, it's important to stay alert as the likelihood of rates changing during the day is high.

Key Market Influences

Disappointing job and inflation data have affected the markets, and there's a sense of uncertainty around today's Federal Reserve (Fed) meeting. While we've seen a decrease in rates over the past few weeks, don't expect a dramatic drop today. In fact, rates might inch up slightly. The Fed meeting and subsequent press conference later today (remember, this will be in the afternoon Pacific Time) are crucial, so let's keep our options open until we see the outcomes.

The Federal Reserve's Stance

The Fed is anticipated to maintain the current interest rate for the third consecutive meeting. Despite speculation, the Fed, led by Chair Jerome Powell, is likely to resist the idea of rate cuts coming as soon as March. Yesterday's inflation report has dampened expectations for a quick shift from the Fed's current approach.

Strategy for Locking Rates

For loans closing in less than 15 days, I recommend a cautious approach. Pay close attention this afternoon and be prepared to lock in rates. If





today's response to the Fed meeting isn't overwhelmingly positive, locking in is advisable.

Loans closing in 15-30 days should also be ready to lock this afternoon unless there's a favorable bond market reaction. With the next significant reports on jobs and inflation due in early January, it's unlikely that rates will drop significantly before the end of December.

For loans closing in more than 30 days, a cautious floating approach is reasonable. There's no immediate need to lock in rates, as any increase today is likely to be balanced out in the coming month.

Wrapping Up

In summary, keep a close watch on the market today, especially this afternoon. The Fed meeting could sway the direction of mortgage rates. And remember, if you, your friends, family, or coworkers are looking to buy, sell, or refinance, I'm here to help guide you through these changes with ease.

About Today's Lock Commentary...

The views and commentary are provided by Ron Siegel, an industry veteran with certifications: CMA, CDLP, CLA, VMA. Ron is a radio host who studies the markets and reviews many rate reports daily.

Ron's view on rates comes from an Originator's point of view, seeing each loan as a real person with a real desire to save some money or improve their rate situation - not a hedge fund where we "manage risk" and "take some loans off the table".

In addition to hosting a daily, syndicated radio program since 2010, Ron is a Branch Manager with Geneva Financial and licensed under NMLS 217037.

