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Market Update for Jan 8, 2024

Current Trends

Good news for those keeping an eye on mortgage rates – this morning's rates are similar to last Friday, possibly even slightly better. There's a low chance of significant changes throughout the day. Despite what you might hear in the media about uncertainty regarding a potential Federal Reserve rate cut in March, the market is showing a more optimistic outlook compared to last Friday.

Recent Changes

On Friday, the situation seemed uncertain for mortgage rates, but there was a noticeable improvement as the day progressed. The key takeaway here is that we're seeing a steadier situation now, and we expect rates to remain stable as we approach Thursday's Consumer Price Index (CPI) inflation data release.

Mortgage Rate Influences

Mortgage rates are closely tied to the Federal Reserve's actions. In December, rates decreased as the market began to anticipate an earlier Fed rate cut, possibly in March. Although there has been some fluctuation in this belief, it's likely that we'll see similar patterns moving forward. This week, Fed officials might urge caution, which could influence the market's expectations.





Recommendations for Homebuyers and Homeowners

- **Loans Closing in Less than 15 Days:** If your loan is closing soon, you might want to float your rate, but be ready to lock it in if you're not up for a gamble on this week's inflation data. A favorable reaction to this data could see rates drop a bit more.
- **Loans Closing in 15-30 Days:** Floating your rate is advisable, but if you're risk-averse, consider locking in your rate now. Current bond trends are favorable for mortgage rates.
- **Loans Closing in 30+ Days:** You have more flexibility and can afford to float your rate. There's time to observe how the inflation data and the upcoming Fed meeting at the end of the month will impact rates. It's expected that rates will continue to drop in 2024, although there might be a slight increase before this happens.

Final Thoughts

For those unfamiliar with home finance, "floating" a rate means deciding not to lock in a mortgage rate immediately, anticipating that rates will fall in the near future. Locking in a rate means committing to a current rate regardless of future changes. As always, these decisions should be made based on individual financial situations and risk tolerance.

Remember, understanding your home finance options is crucial whether you're buying, selling, or refinancing. Feel free to reach out for personalized advice and stay informed with these updates. Your referrals to friends, family, or colleagues looking for guidance in this market are always appreciated.





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.

