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Today's Market Update for Jan 22, 2024

Understanding Today's Mortgage Market

Current Trends and Expectations

Good morning to all our listeners! Let's dive into the latest updates in the home finance world. Recently, we've noticed some positive changes in mortgage rates. Essentially, this means that the cost of borrowing money for a home might be getting a bit more favorable.

Last week, things looked a bit challenging as mortgage rates gradually increased. However, today we're seeing signs of hope. It's like a cloudy sky starting to clear up. But, don't expect a significant drop in rates just yet. There's been a shift in expectations regarding when the Federal Reserve (the Fed) might reduce interest rates, now focusing on May instead of March.

Key Events This Week

This week, we're keeping an eye on several important meetings worldwide, including those of the Bank of Japan, Bank of Canada, and the European Central Bank. These meetings can impact global financial markets, including ours. We're also looking forward to the first estimate of the last quarter's Gross Domestic Product (GDP) and the Fed's favorite measure of inflation, the PCE.





Bond Market Movements

For those of you who are new to this, the bond market can influence mortgage rates. Today, bonds are performing well, which is a good sign. This improvement is partly because the expectations for a March rate hike by the Fed have lessened.

Advice for Home Loans

- **Loans Closing in Less Than 15 Days:** If you're closing on a home loan in less than 15 days, you might want to wait and see if rates get better (we call this "floating"). But, be ready to lock in your rate if things start to change.
- **Loans Closing in 15-30 Days:** Those of you closing in this window should also consider floating. However, keep a close eye on the upcoming January Fed meeting, as it might help improve rates. If things don't look promising, it might be wise to lock in your rate.
- **Loans Closing in 30+ Days:** If your loan is closing in more than 30 days, you have a bit more flexibility. There's no immediate need to lock in a rate now, as there's potential for better rates after the Fed meeting and into February.

Final Thoughts

Remember, while rates might go up a little in the short term, they're expected to come down again. Those with more time before closing have the opportunity to benefit from this. As always, we're here to guide you through these decisions, ensuring you make the best choice for your home financing needs.

If you or someone you know is looking to buy, sell, or refinance, we're here to help. Feel free to reach out to us. Your trust and referrals are what keep us going. Stay tuned for more updates, and have a fantastic day!





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.

