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Today's Market Update for Feb 5, 2024

Market Summary Report for Housing Mortgage Data

Understanding the Current Mortgage Landscape

Good morning, everyone! I want to share with you the latest updates from the housing mortgage world, in a way that's easy to understand, no matter your level of expertise in home finance.

The Unexpected Shift in Mortgage Rates

This morning, we're seeing a bit of a setback in mortgage rates. Despite a positive turn on Friday, things took a surprising twist. The main reason? Comments from Fed Chair Jerome Powell on '60 Minutes' hinted that a rate cut might not happen as soon as we hoped, specifically not in March. This has caused some concern in the market.

Economic Strength and Its Impact

Adding to this, strong economic data, including the ISM report, showed that our economy is doing well. This is good news in general, but it means the Federal Reserve might not feel the need to cut rates just yet. So, we're not expecting much relief in mortgage rates until we see next week's CPI inflation data.

The Big Picture: Fed Rate Cuts and Mortgage Rates

Remember, mortgage rates tend to fluctuate based on what the Fed decides about interest rates. A month ago, everyone was almost certain the Fed would cut rates in March. However, recent economic and labor data have shown our economy is in good shape, reducing the likelihood of a rate cut in the near future.





What to Expect This Week

For the rest of this week, there aren't any significant economic reports expected that could help improve mortgage rates. However, we'll hear from various Fed speakers and watch a few Treasury auctions, which could provide some insights.

Mortgage Rate Lock Advice

- **For Loans Closing in Less than 15 Days:** Start the day with a cautious approach. We're hoping for signs of improvement after this morning's unexpected downturn.
- **For Loans Closing in 15-30 Days:** Stay cautiously optimistic. We're looking for a turning point, and next week's CPI report could be just what we need to move past this rough patch.
- **For Loans Closing in 30+ Days:** Keep calm and float on. There's still time for things to turn around, especially with the March Fed meeting on the horizon.

Let's Stay Connected

As always, I'm here to help guide you through these changes and what they mean for your home loan needs. If you, your friends, family members, or colleagues are looking to buy, sell, or refinance, I'm just a call away. Let's navigate this market together!

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.

