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Today's Market Update for Feb 6, 2024

Market Update for Home Finance

Understanding Mortgage Rates

Good morning! Let's dive into today's mortgage market update. First, a bit of good news: we're seeing signs of stability in mortgage rates after a bit of a rough patch last Friday and Monday. Think of it like the weather clearing up after a storm. The rates aren't jumping up dramatically, but they are showing some improvement, which is a positive sign for anyone looking at home loans.

Federal Reserve's Influence

The Federal Reserve, which plays a big role in setting economic policy, has a few key members speaking today. Their views are generally on the cautious side, suggesting they might take their time before lowering interest rates. This is important because their decisions can affect mortgage rates.

Upcoming Events

We're keeping an eye on a Treasury auction happening this afternoon, but it's not expected to cause big waves in the mortgage world.

Looking Ahead

As for the future, everyone's curious about potential rate cuts by the Federal Reserve. A while back, there was a small chance of a rate cut in March, but now the focus is on May. The chance of maintaining the current rate has increased significantly, but we're all waiting for next week's inflation data for more clarity.





Advice for Homebuyers and Homeowners

For Immediate Loan Closings (Less than 15 Days)

If your loan is closing soon, my advice is to 'cautiously float.' This means we're optimistic but still careful. The market is showing recovery signs, which could lead to better rates in the next few days. Big changes are more likely after next week's inflation data. Unless we see drastic changes this afternoon, it's a good time to wait and see.

For Mid-term Loan Closings (15-30 Days)

Last week, I mentioned we might face some challenges, and indeed, the market was more turbulent than expected. However, there's hope for recovery. If your loan is closing in this window, the same advice applies – cautiously float. We're waiting for signs of improvement.

For Long-term Loan Closings (30+ Days)

If your loan is a bit further out, there's no need to worry yet. A lot can change before the March Federal Reserve meeting, which could positively affect rates. The market doesn't anticipate a rate cut in March, but all data points are being watched for potential changes in May.

I hope this summary helps simplify the complex world of mortgage rates. If you, your friends, family members, or coworkers are looking to buy, sell, or refinance, remember we're here to guide you through every step of the way. Let's make your home finance journey a smooth and informed one!

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.

