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Today's Market Update for April 19, 2024

Understanding Today's Mortgage Rates: A Simple Guide for Homebuyers and Homeowners

Navigating the world of home finance can often seem complex, especially when it comes to understanding mortgage rates. Here's a breakdown of what's happening with mortgage rates currently and some advice on what you might consider doing, whether you're looking to buy a home or refinance.

Current State of Mortgage Rates

Mortgage rates are showing a slight increase compared to yesterday, though the change isn't significant. This suggests that rates have reached what might be considered a new stable point. Without any major economic reports or events affecting the bond market today, there's little chance that rates will fluctuate widely.

What's Expected in the Near Future

The rates are predicted to drift slightly either higher or lower. Significant changes might not occur until early May when the Federal Reserve meets and the Bureau of Labor Statistics releases its next labor report. The direction rates will take hinges largely on how the markets perceive the Federal Reserve's future actions, particularly regarding interest rate cuts.

In the aftermath of recent inflation data, expectations have adjusted. While there was previously hope for three rate cuts in 2024, the consensus has





shifted to potentially only one or two cuts. If upcoming economic data shows strength and inflation doesn't decline as hoped, we might even hear talks of rate hikes.

What Should Homebuyers Do?

1. **For Loans Closing in Under 15 Days:** It's advisable to lock in your rate now. The current environment offers little benefit to waiting, and locking in can protect you from any unexpected increases.
2. **For Loans Closing in 15-30 Days:** You might consider floating your rate for a short period to see if upcoming inflation data, particularly the Personal Consumption Expenditures (PCE) index, brings any positive news that could lower rates. However, this comes with a risk, as the overall expectation isn't strongly in favor of decreasing rates.
3. **For Loans Closing in Over 30 Days:** Floating could be cautiously considered since there's more time for potential rate decreases. However, don't expect significant drops; at best, rates might return to levels seen a few weeks ago.


Summary

- Mortgage rates are relatively stable today with minor fluctuations expected.
- Significant changes might wait until major economic updates in early May.
- Immediate rate locks recommended for short-term closings.
- Cautious floating advised for longer-term closings, watching closely for upcoming economic data.





Stay informed and consider your options carefully. If you're planning to secure a mortgage soon, discussing your specific situation with a financial advisor could provide tailored advice that matches your needs.

 Make your move wisely and stay ahead in your home financing journey!

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.

