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## **Today's Market Update for May 6, 2024**

### **Navigating the Current Mortgage Rate Landscape**

Navigating mortgage rates can be complex, especially when they're influenced by numerous economic signals and Federal Reserve policies. Here's a breakdown of the current mortgage rate environment and what it could mean for homebuyers and homeowners looking to refinance.

### **Understanding Mortgage Rates Today**

Mortgage rates are highly sensitive to market sentiments and the broader economic outlook. As of now, here's what's influencing the rates:

1. **Federal Reserve's Policy:** Recent communications suggest the Fed is leaning towards rate cuts later this year due to signs of a cooling job market. This anticipation keeps the mortgage rates on a fluctuating yet hopeful path for potential homebuyers.
2. **Market Sentiment:** The market has responded positively to the potential of rate cuts, with a slight improvement in mortgage rates for some lenders compared to last week. The stability is underpinned by the expectation of continued easy policy from the Fed.
3. **Economic Indicators:** With a relatively empty economic calendar this week, the rates are expected to remain stable. However, traders are closely watching for next week's Consumer Price Index (CPI) inflation data, which could influence future rate decisions.

### **Strategy for Mortgage Seekers**

- **Short-Term Closings (Under 15 Days):** If you're closing on a loan in less than two weeks, it's advised to 'cautiously float' your rate. This means monitoring the rates closely, as they might not see significant improvement but could change with upcoming economic reports.





- **Medium to Long-Term Closings (15-30 Days or More):** For those not in a rush, floating your rate could be beneficial. Rates could drop further, especially if the upcoming CPI report is favorable. Locking in a rate now might prevent you from benefiting from potential decreases.

## What's Ahead?

While the immediate future for mortgage rates seems stable, the upcoming CPI report on May 15 will be crucial in determining the direction of future rates. Positive inflation data might solidify the case for rate cuts, potentially leading to lower mortgage rates.

## Why This Matters

For first-time home buyers and those looking to refinance, understanding these dynamics can help make informed decisions about when to lock in rates. With the possibility of rate cuts on the horizon, keeping an informed eye on economic indicators and Fed statements is key.

## 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.*

