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Today's Market Update for May 7, 2024

Navigating the Current Mortgage Rate Environment: What You Need to Know

As we make our way through the first full week of May, it's essential to understand the subtle movements in the mortgage rates that can impact your home buying decisions. With rate sheets showing stability and a low chance of significant changes today, potential homebuyers and investors have a moment to breathe. Here's what's happening in the market and what it means for you:

Current Mortgage Rate Trends:

1. **Stable Rates:** Today's rates are similar to yesterday's, with minimal fluctuations expected. The focus is on a Federal Reserve speaker and a 3-year Treasury note auction this afternoon, neither anticipated to disrupt the market significantly.
2. **Looking Ahead:** The main event stirring the market's pot will be next week's inflation data. This data is crucial as it helps predict future movements in mortgage rates. For now, rates are not expected to see significant shifts.

Strategic Loan Decisions:

- **Short-Term Loans (Closing in <15 Days):** If your loan is closing soon, maintain a cautious approach. While no immediate spikes are expected, it's wise to stay alert and ready to lock in your rate at the first sign of instability.
- **Medium to Long-Term Loans (Closing in 15-30 Days or More):** For those not rushing to close, floating your rate might be beneficial. The market might see another dip in rates if the upcoming Consumer Price Index (CPI) inflation data is favorable. However, keep a





watchful eye as you approach your closing date and be ready to lock in a rate if the market starts to show signs of pressure.

Recent Market Dynamics:

- **Federal Reserve's Influence:** Last week, a shift in market sentiment was noted, particularly after Fed Chair Jerome Powell's conference, which alleviated fears of imminent rate hikes. This change is helping to stabilize rates.
- **Impact of Economic Data:** Additionally, a drop in the 10-year Treasury yield from 4.68% to 4.44% signals reduced pressure on bonds and a stable outlook for mortgage rates. This drop came after weaker-than-expected jobs data, which also supports the notion of potential rate cuts later in the year.

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.

