



**MORTGAGE STRATEGISTS**  
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## *Market Update for January 10, 2024*

### **Understanding the Current State of the Housing Market**

#### **Home Prices and Predictions**

- The price of homes has been rising. In November, they went up by 0.2%, making it a 5.2% increase compared to last year. This is the highest it's ever been!
- Experts at CoreLogic think that home prices might drop a little in December but will increase by about 2.5% over the next year. However, based on this year's trends, we could see a 7% rise in 2023.
- Our own research suggests that home prices might not drop in December as CoreLogic predicts. We've seen signs that they could keep rising.

#### **Mortgage Applications: What's New?**

- Last week, there was a 6% increase in people applying to buy homes, though this is still 16% lower than last year.
- Refinancing applications jumped by 19% last week and are 30% higher than the same time last year.
- Interest rates are around 6.75%, just a bit higher than they were last year. Remember, these numbers can change quickly, especially around holiday seasons.

#### **Upcoming Consumer Price Index Report**

- There's a big report coming out tomorrow about inflation, known as the Consumer Price Index (CPI).
- Overall inflation is expected to rise slightly. But when we look at the core inflation (which doesn't include food and energy costs), it's predicted to drop from 4% to around 3.8% or 3.9%.
- We think core inflation will indeed drop to 3.8%. This would be good news for the bond market, as it suggests prices are not rising as fast as before.

#### **Technical Analysis: Mortgage Bonds and Interest Rates**

- Mortgage bonds are staying steady, which could mean good news for future rates.
- The 10-year interest rate is at 4% and is facing some resistance to going higher.
- We're watching to see how the CPI report affects the market, but we're hopeful it could lead to lower mortgage rates. For now, it's best to wait and see how things unfold.



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*About Today's Lock Commentary...*

*The views and commentary are provided by Matt Robertshaw, an industry veteran of over 20 years. The views on rates come 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”. These views, while heavily researched, are still the opinion of Matt and the Mortgage Strategists. Please do your own due diligence when it comes to locking or floating a mortgage rate.*

*Matt is a licensed Mortgage Loan Originator in the state of Texas, licensed under NMLS 925153.*