



Wil Harmsen
Senior Loan Officer, Evergreen Home Loans
NMLS 420502
1425 Hawk Parkway, Unit 4 Montrose, CO 81401

Office: 970-765-0086
Mobile: 970-901-4029
wharmsen@evergreenhomeloans.com
[View My Website](#)

After Holiday Hangover, Rates Are Ready to Get Serious About Inflation Data

Mortgage rates partied hard for most of June and into the middle of last week--right up until stronger economic data killed the vibe. The resulting bounce in rates carried momentum through to the beginning of this week, but from there on out, things were broadly sideways.

That's not too surprising considering the lack of virtually any major economic data this week. Such data is one of the key sources of motivation for the bonds that underlie mortgage rate movement. Without it, inspiration had to be found elsewhere.

Last week's rising rate momentum lasted through Tuesday. After that, there was modest volatility surrounding trade-related headlines, Fed comments, and Treasury auctions, but nothing too significant in the bigger picture. By the end of the week, rates and Treasury yields were right in line with Tuesday's levels.



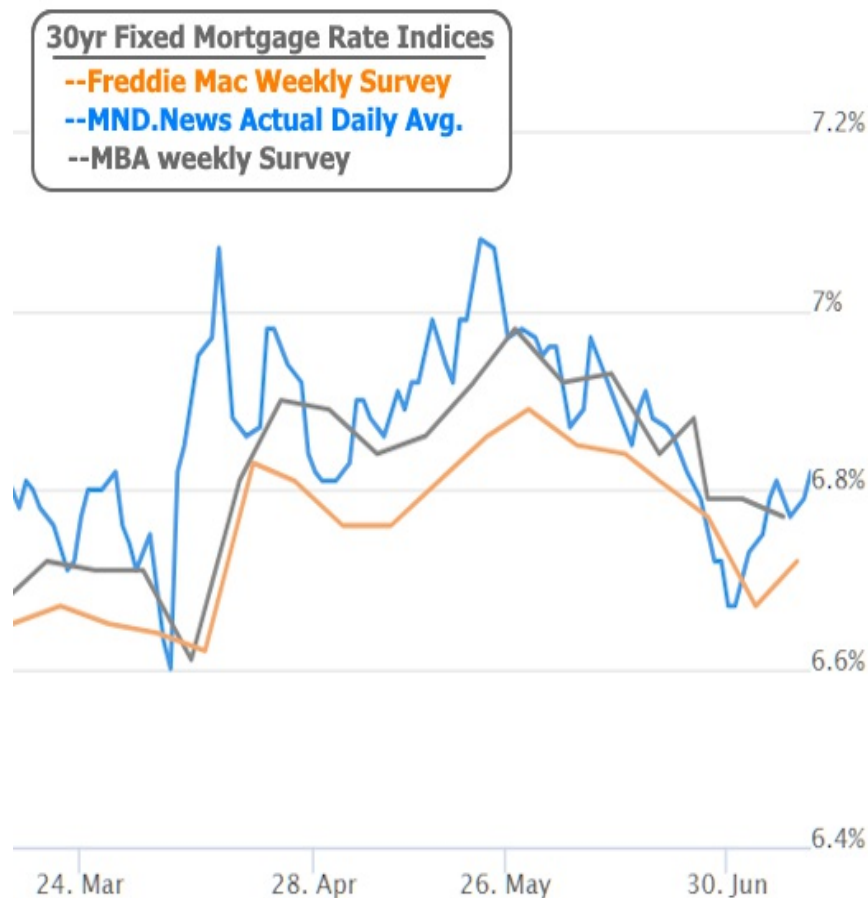
MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.81	-0.02
10 YR Treasury	4.9299	+0.0084
30 YR Treasury	5.3082	+0.0081

Pricing as of: 10/30 5:59PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 21	195	+3.39%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%



Actionable data will return in the coming week. In fact, Tuesday's Consumer Price Index (CPI) could be just as much of a flashpoint as the jobs report if it shows (or completely fails to show) the onset of tariff-driven inflation.

Why would that matter?

First off, bonds simply don't like inflation and rates will generally be moving higher if inflation is moving higher. Additionally, the prospect of tariff-driven inflation is preventing the Federal Reserve from initiating rate cuts that would otherwise be justified by the current landscape of econ data and monetary policy.

Bottom line: if inflation does NOT show up in a big way in next week's CPI, the market could move fairly quickly to price in expectations for a lower Fed Funds Rate. And remember: Fed rate cut EXPECTATIONS have a far more immediate impact on mortgage rates than an actual Fed rate cut.

Of course, the opposite scenario could play out as well (higher-than-expected inflation and another jump in mortgage rates).

There's no guarantee or even any reason to expect one outcome versus another. All we can know ahead of time is that there is a high potential for data-driven volatility.

Subscribe to my newsletter online at: <http://housingnewsletters.com/harmsenteam>

Recent Economic Data

Event Importance:

No Stars = Insignificant

Date	Event	Actual	Forecast	Prior
Wednesday, Jul 09				
7:00AM	Jul/04 MBA Refi Index	829.3		759.7
7:00AM	Jul/04 MBA Purchase Index	180.9		165.3
2:00PM	FOMC Minutes			
Thursday, Jul 10				
8:30AM	Jul/05 Jobless Claims (k)	227K	235K	233K
Tuesday, Jul 15				
8:30AM	Jun y/y CORE CPI (%)	2.9%	3%	2.8%
8:30AM	Jun m/m CORE CPI (%)	0.2%	0.3%	0.1%
Wednesday, Jul 16				
8:30AM	Jun Producer Prices (%)	0%	0.2%	0.1%
Thursday, Jul 17				
8:30AM	Jun Retail Sales (%)	0.6%	0.1%	-0.9%
8:30AM	Jul/12 Jobless Claims (k)	221K	235K	227K
8:30AM	Jun Import prices mm (%)	0.1%	0.3%	0%
8:30AM	Jun Retail Sales Control Group MoM	0.5%	0.3%	0.4%
8:30AM	Jul Philly Fed Business Index	15.9	-1	-4.0
10:00AM	May Business Inventories (%)	0%	0%	0%
Friday, Jul 18				
8:30AM	Jun Housing starts number mm (ml)	1.321M	1.30M	1.256M
8:30AM	Jun Building Permits (ml)	1.397M	1.39M	1.394M
10:00AM	Jul Consumer Sentiment (ip)	61.8	61.5	60.7

- ☆

Low
- ★

Moderate
- ★★

Important
- ★★★

Very Important

Who We Are

When choosing a mortgage loan officer, trust is a key component. You want a lender who will honor their commitments, create a satisfying customer experience and recommend and provide loan products that meet your financing goals. We are readily accessible and committed to serving you and your needs. We aim to not only meet, but to exceed your expectations. We are a lender you can trust.

Wil Harmsen



