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Today's Market Update for Feb 20, 2024

Understanding Current Mortgage Rate Trends

Mortgage Rates Today

Good morning! Let's start your day with some key insights into the housing mortgage market. As of today, the mortgage rates are quite similar to what we saw last Friday. There's a low chance of any significant changes occurring today, especially since there's no new economic data expected to influence the rates.

This Week's Forecast

Looking ahead, predicting where mortgage rates will go this week is a bit tricky. There's a bit of uncertainty in the market due to the expectations surrounding the Federal Reserve's (Fed) actions. A few weeks back, everyone was almost certain that the Fed would lower rates in March. Now, the opinion has shifted, and most traders think there's only an 80% chance of a rate cut by June. Keep an eye out for the Fed meeting minutes tomorrow, as they might give us more clues about the Fed's plans. Interestingly, despite this speculation, most Fed members have indicated they're not in a rush to cut rates just yet.

Rate Trends and What Influenced Them

Reflecting on the recent past, mortgage rates decreased towards the end of 2023, mainly because the market believed the Fed was done with rate hikes. However, strong job data earlier this month and last week's inflation figures pushed the rates up again. Although we're still lower than the peak rates of October 2023, rates are about 0.5 to 0.75% higher than in December.





Advice for Homebuyers and Homeowners

Given the current market sentiments, it seems wise to lock in most loans right now, as rates might continue to rise. If you're closing on a loan in less than 15 days, I recommend locking in your rate. There's little indication of rates dropping in the next couple of weeks.

For those closing in 15 to 30 days, it's also a good idea to lock in. We might see some improvement with the upcoming PCE inflation report, but that's a slim chance. For loans closing in over 30 days, you might consider floating your rate, but be cautious and maybe think about locking in due to the less favorable outlook compared to a few weeks ago.

Remember, understanding mortgage rates can be complex, but I'm here to help simplify and guide you through it. If you, your friends, family, or colleagues have any questions or need assistance in buying, selling, or refinancing a home, don't hesitate to reach out. Let's make informed decisions together!

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.

