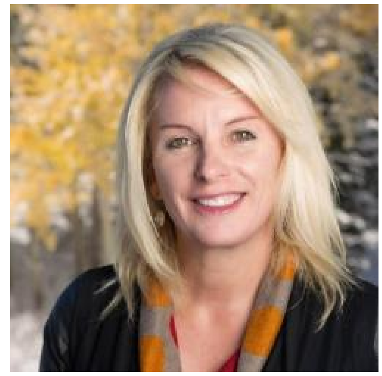
Bond Market Betrayal as Mortgage Rates Hit Another Long Term High

By the end of last week, the bond market was sending **hopeful** signs about the recent rate spike potentially leveling off. It had done the same thing on the previous Friday only to give way to highest rates in 3 years as the week progressed. Sadly, the most recent Friday offered a similar **betrayal**.

In other words, the bond market was merely regrouping for **another jump** toward even weaker levels (bond market weakness = higher rates, all other things being equal). Today's move was especially sharp because it combined general weakness from the AM hours with a bad reaction to a specific event in the afternoon hours.

The event in question was a speech (and subsequent comments) from **Fed Chair Powell**. Rather than do anything at all to push back against last week's Fed-driven rate spike, Powell forcefully doubled down on the Fed's urgent need to shift Fed policy to an even less rate-friendly stance.

Mortgage lenders were **already** roughly an eighth of a point higher in terms of 30yr fixed rates this morning. After Powell, rates nearly **doubled** that move (i.e. some lenders are a quarter of a point higher in rate versus Friday's latest levels). That makes today one of only 5 days with this big of a spike in more than a decade.



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Lender rate offerings are widely stratified and many are still getting caught up with the market volatility, but it's safe to say the average lender is now over 4.5%, and much closer to **4.625%** for top tier conventional 30yr fixed scenarios.