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# Market Update for July 11, 2023

## Understanding Today's Mortgage Landscape

It's important to know that the cost of borrowing money for a home, otherwise known as the mortgage rate, could be more favorable today than what was offered yesterday morning. However, these rates are similar to any improved rates you might have seen later in the day. Despite the small gain in bonds, the overall mortgage landscape hasn't seen significant improvement.

Looking ahead, today is expected to be fairly uneventful in terms of mortgage rate changes, a calm day before potential upheavals tomorrow.

## What to Expect Tomorrow

Tomorrow's main event is the release of the Consumer Price Index (CPI) inflation data. This information, released at 5:30am Pacific Time, could affect the mortgage rates you're offered. Other influential factors include the 10-year Treasury bond auction and the Federal Reserve's Beige Book report, both scheduled for the afternoon.





There's a possibility that rates might slightly improve tomorrow. However, if the data doesn't meet expectations, we could see a rapid increase in rates even before the morning's rates are released.

## **Why the Market Might Change**

What makes this situation more unpredictable is that the financial markets aren't fully accounting for a possible second Federal Reserve rate increase this year. Even though Federal Reserve officials have been consistently signaling that two rate hikes are likely, the market has been slow to reflect this reality. Once the market adjusts to this possibility, we should expect a sudden surge in mortgage rates.

## **What Does This Mean for Your Mortgage?**

Given these circumstances, it would be wise to secure your mortgage rate now, referred to as "locking" your rate. While it's not a certainty that rates will worsen tomorrow, I advise prudence and caution.

However, if you're feeling adventurous and are willing to take the risk, there is a chance that rates might improve and you could benefit. It's important to remember that such a gamble could also lead to higher rates. Please make this decision carefully, considering your personal risk tolerance and financial situation.





## 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.*

