

# MORTGAGE RATE FLUCTUATION

## UNDERSTANDING WHAT DRIVES MORTGAGE INTEREST RATES

### 1 ECONOMIC DATA

#### Rates Go UP ↑

- Non-farm Payrolls higher than expected
- Unemployment rate goes down
- Better than expected economic data in general

#### Rates Go DOWN ↓

- Jobs data stagnant or in decline
- Manufacturing stagnant or slowing
- Housing weaker than expected



### 2 INFLATIONARY PRESSURE

#### Rates Go UP ↑

- Higher Consumer Price Index
- Higher wholesale prices
- Hourly earnings higher

#### Rates Go DOWN ↓

- Lower consumer prices
- Lower wholesale prices
- Hourly earnings lower



### 3 STOCK MARKET

#### Rates Go UP ↑

- Stock market on the rise

#### Rates Go DOWN ↓

- Stocks in decline



### 4 FEDERAL RESERVE

#### Rates Go UP ↑

- Pulling money out of the monetary system usually indicates inflation is either here or anticipated by the Fed

#### Rates Go DOWN ↓

- Adding cash into the monetary system creates a looser credit environment in an attempt to stimulate the economy through borrowing and expansion



### 5 GEO-POLITICS

#### Rates Go UP ↑

- China's GDP improves
- Middle East tensions ease

#### Rates Go DOWN ↓

- European economy sinks
- Conflicts or acts of terror



### 6 OTHER GLOBAL EVENTS

#### Rates Go UP ↑

- A serene landscape around the globe with little catastrophic weather or events

#### Rates Go DOWN ↓

- Hurricanes
- Tsunamis
- Earthquakes
- Diseases



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