Markets leaning toward a mortgage rate increase

No, it’s nothing to do with Halloween, not that I know of. And it’s not so much spooky out there as loopy. The credit markets are addled by the continuous flow of conflicting, weird and unprecedented information. Everyone is glued to the US 10-year Treasury note, as always, but in the past two weeks mesmerized by its yield rising toward 2.40 percent, a crucial spot touched in May and again in July, then retreating each time. The next stop would be a jump to 2.60 percent -- last seen in December and this April -- when mortgages were heading toward 4.50 percent. Looking backwards in time, past that 2.60 percent there is no chart “support” all the way to year-end 2013 when the 10-year was 3.00 percent and mortgages were pressing 5.00 percent. On Tuesday the 10-year rose above 2.40 percent, and traders were looking for big things to hide behind. On Wednesday and again on Thursday, it hit 2.46 percent, but there was no explosion. Friday it went back down to 2.42 percent. Ma...

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