




Bond Divergence

Mortgage rates were largely steady this week, inching up slightly from 6.06% to 6.07%. Treasury yields actually moved higher, which would normally put upward pressure on mortgage rates. However, last week's roughly \$200 billion in mortgage-backed securities purchases from Fannie Mae and Freddie Mac continued to provide support for mortgage pricing, limiting the impact of rising bond yields and keeping rates in a tight range.

 Mortgage rates were mostly unchanged this week at 6.07%. Even as Treasury yields climbed, mortgage rates did not fully follow because last week's large purchases by Fannie Mae and Freddie Mac continued to cushion the market.

 November PCE is released next week, the Fed's preferred inflation gauge.