

## **December Round Up: Bond Yields Inch Up, Bringing Some Rates With Them**

In Freddie Mac's Primary Mortgage Market Survey, the 30-year fixed-rate mortgage (FRM) averaged 6.17 percent with an average 0.5 point for the week ending December 27, 2007, up from the previous week when it averaged 6.14 percent as well. Last year at this time, the 30-year FRM averaged 6.18 percent.

The 15-year FRM averaged 5.79 percent with an average 0.5 point, unchanged from the previous week when it also averaged 5.79 percent. A year ago at this time, the 15-year FRM averaged 5.93 percent.

Five-year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 5.90 percent, with an average 0.5 point, also unchanged from the previous week when it averaged 5.90 percent. A year ago, the 5-year ARM averaged 5.98 percent.

One-year Treasury-indexed ARMs averaged 5.53 percent with an average 0.7 point, up from the previous week when it was 5.51 percent. At this time last year, the 1-year ARM averaged 5.47 percent.

"Stronger consumer spending and an increase in the core price deflator in November caused long-term bond yields to inch up over the end of last week and beginning of this week, with mortgage rates following," said Frank Nothaft, Freddie Mac vice president and chief economist. Offsetting some of the increase, however, was a decline in November's index of leading economic indicators and a weak manufacturing report in Philadelphia for December.