

# Lock Volume Rebounds in January Following December Pullback, Highlighting Consumer Sentiment Fragility

*January mortgage lock volume rebounded 8.7% after a weak December, showing fragile consumer sentiment as modest rate dips briefly lifted refinance activity.*

SAN DIEGO, CA, UNITED STATES, February 5, 2026 /EINPresswire.com/ -- [Mortgage Capital](#)

[Trading, Inc. \(MCT®\)](#), the de facto leader in innovative mortgage capital markets technology, announced the release of its [February Lock Volume Indices](#), reflecting January 2026 mortgage lock activity. Data showed a modest rebound in overall lock volume following a sharply depressed December, highlighting how seasonal trends were amplified by government shutdown uncertainty and shifting rate expectations.

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*Andrew Rhodes, Head of Trading at MCT*

Total lock volume rose approximately 8.7% in January compared to December, driven primarily by a meaningful pickup in rate/term refinance activity. Cash-out refinances

also edged higher, up roughly 4.5%, while purchase activity remained slightly below baseline, down just under 3%.

“January’s numbers highlight just how weak December was,” said Andrew Rhodes, Head of Trading at MCT. “Consumer sentiment pulled back sharply after the government shutdown, amplifying the typical seasonal slowdown. It was a meager month, and now we’re seeing a modest rebound.”

Rhodes noted that January’s improvement was driven by incremental rate movements rather than a significant shift in the broader rate environment. [Mortgage-backed securities pricing](#) improved modestly over the course of the month, leading to a small decline in mortgage rates that helped bring some borrowers back into the market.

“An incremental drop in rates led to an incremental pickup in production,” Rhodes said. “It wasn’t a major move, but it was enough to show that December wasn’t a true reflection of demand.”

Expectations around future rate cuts have also continued to shift. While markets had previously anticipated a cut as early as March, expectations have now moved progressively later, first toward June and increasingly into the third quarter. The nomination of a new Federal Reserve Chair has further reinforced a cautious outlook.

“There’s a belief that the June meeting could be the new chair’s first decision,” Rhodes said. “It’s unlikely he’d want to come in and immediately rock the boat. To confirm Fed independence, the more likely path is patience, which pushes expectations closer to Q3. Historically, that lines up with cuts happening around September.”

Looking ahead, Rhodes described the market as being in a holding pattern, with meaningful upside likely requiring rates to move decisively into the high-five percent range. Until then, he expects incremental progress rather than a breakout.

“This is a wait-and-see market,” he said. “January showed that activity can come back when sentiment improves, but it also showed how fragile that sentiment still is.”

MCT remains committed to delivering expert guidance and data-driven insights. MCT's Lock Volume Indices present a snapshot of rate lock volume activity in the residential mortgage industry broken out by lock type (purchase, rate/term refinance, and cash out refinance) across a broad diversity of lenders (e.g., sizes, products/services offered, business models) from MCT's national footprint.

#### About MCT:

For over two decades, MCT has been a leading source of innovation for the mortgage secondary market. Melding deep subject matter expertise with a passion for emerging technologies and clients, MCT is the de facto leader in innovative mortgage capital markets technology. From architecting modern best execution loan sales to launching the most successful and advanced marketplace for mortgage-related assets, lenders, investors, and network partners all benefit from MCT’s stewardship. MCT’s technology and know-how continue to revolutionize how mortgage assets are priced, locked, hedged, traded, and valued – offering clients the tools to perform under any market condition.

For more information, visit <https://mct-trading.com/contact> or call (619) 543-5111.

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