



## The Arizona Loan Baron

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## MBS Recap: Abrupt Positive Adjustment After NFP, Then Silence

As far as days with big initial reactions to economic data go, today was about as boring as they come. The first part of the problem was the overnight bond market weakness. This had 10yr yields **near 2.47** by the start of the domestic session. As such, the post-NFP rally had to work through those losses before pushing into positive territory.

Now, **about this post-NFP rally...** The headline wasn't too bad--223k vs 230k forecast. So why the rally? First off, the revisions took 60k jobs out of the equation. If you think about it, that would be like today's report coming in at +163k, with no past revisions. Wage growth (or lack thereof) also helped, coming in at 0.0 vs +0.2 forecast. The previous month was also revised 0.1 lower. With wages currently in the spotlight from a Fed policy standpoint, this created a visible response in Fed Fund Futures. After NFP, the median view on the first rate hike moved into 2016.

With nothing more than those facts, we have **more than enough to reconcile the strength** that followed in bond markets. But we should also consider that much of the overnight weakness was without any overt motivation, meaning it was likely a defensive move ahead of NFP. Yesterday closed closer to 2.42 in 10yr yields, meaning that today's closing levels were only about 4bps lower.

Once the post-NFP rally ran out of steam at 2.37, that was it for the day. Yields never went lower and they never broke back above 2.40. MBS were similarly steady with Fannie 3.5s holding 102-27 to 102-23 for the entire post-NFP day. It's a nice respite, but **no change** to bigger picture.

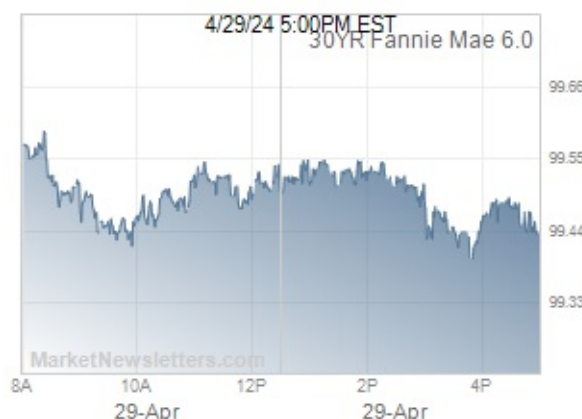
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## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.44	<b>+0.07</b>
MBS GNMA 6.0	100.59	<b>+0.24</b>
10 YR Treasury	4.6039	<b>-0.0097</b>
30 YR Treasury	4.7196	<b>-0.0114</b>

Pricing as of: 4/30 12:25AM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.43%	<b>-0.02</b>	0.00
15 Yr. Fixed	6.85%	<b>-0.01</b>	0.00
30 Yr. FHA	6.92%	<b>-0.03</b>	0.00
30 Yr. Jumbo	7.63%	<b>-0.01</b>	0.00
5/1 ARM	7.50%	<b>0.00</b>	0.00

### Freddie Mac

30 Yr. Fixed	7.17%	<b>-0.27</b>	0.00
15 Yr. Fixed	6.44%	<b>-0.32</b>	0.00

### Mortgage Bankers Assoc.

30 Yr. Fixed	7.24%	<b>+0.11</b>	0.66
15 Yr. Fixed	6.75%	<b>+0.11</b>	0.64
30 Yr. FHA	7.01%	<b>+0.11</b>	0.94
30 Yr. Jumbo	7.45%	<b>+0.05</b>	0.56
5/1 ARM	6.64%	<b>+0.12</b>	0.87

Rates as of: 4/29

## The Arizona Loan Baron

The Arizona Loan Baron is at your service!

I would appreciate the opportunity to share with you my extensive mortgage lending experience. My client focused approach has allowed me to build long lasting relationships and partnerships throughout Arizona. I know this market. I live here and work here. Please allow me the opportunity to be your mortgage lending partner.

**The Arizona Loan Baron**

