

The Arizona Loan Baron

Timothy Baron, VP 2 Senior Loan Officer 2 Loan Baron, V.I.P. Mortgage, Inc.

Timothy Baron NMLS #184671 V.I.P. Mortgage, Inc. does 6390 E Tanque Verde Rd. Suite #200 Tucson, AZ 85715

Office: 520-275-5956 Mobile: 520-275-5956

timothybaron@vipmtginc.com

View My Website

The Day Ahead: Bonds Continue Seeking Same Middle Ground as Important NFP Approaches

Amid last week's glut of Fed speeches surrounding the Jackson Hole symposium, Fed Vice Chair Fischer specifically called out "the next two weeks of data" as having a bearing on the Fed's potential September rate hike. Incidentally, the first of those two weeks contains some of the most traditionally important data, including both ISM reports, ADP Employment, and the big daddy: **NFP on Friday**. Whether or not these reports ultimately sway the Fed's decision remains to be seen, but after Fischer's comments, markets are more on-guard for that than they otherwise might be.

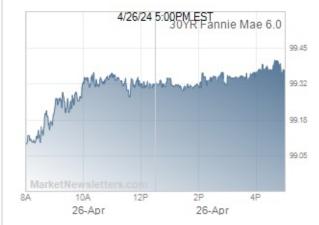
Somewhat conveniently, the week begins with one of the less consequential reports in the form of Chicago PMI. Note that "less consequential" is only a term that applies to this report on a relative basis, due to the high profile company it keeps during the rest of the week. Also keep in mind (for those of you with MBS Live, or who otherwise have access to real-time bond/MBS prices), that some traders receive **Chicago PMI at 9:42am** as opposed to the 9:45am published release time. That's more of a curiosity than anything, but good to know nonetheless if you happen to see a more volatile move at 9:42 (usually a clue as to how the report will come out).

In terms of charts and trading levels, this approach to the Fed decision is taking place on a playing field with an increasingly clear 50 yard line--at least in terms of its effects on longer term yields. During last October's extra volatile move to long term low yields, 10yr Treasuries ended up charging back higher to end the week near 2.20. Last week saw an **almost identical mega-rally** to long-term lows, and an almost identical mega-correction. The result: something near 2.20 again (officially 2.199 in Oct and 2.19 last week). Not only that, but yields zoomed up to 2.19 by mid-morning and bounced repeatedly, as if to reinforce the technical significance of the level. Looking back at recent chart, we can see numerous examples of weekly trading ranges starting and stopping near 2.20.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.37	+0.30
MBS GNMA 6.0	100.35	+0.27
10 YR Treasury	4.6645	-0.0394
30 YR Treasury	4.7739	-0.0400

Pricing as of: 4/26 5:05PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News	Daily		
30 Yr. Fixed	7.45%	-0.07	0.00
15 Yr. Fixed	6.86%	-0.05	0.00
30 Yr. FHA	6.95%	-0.05	0.00
30 Yr. Jumbo	7.64%	-0.04	0.00
5/1 ARM	7.50%	-0.05	0.00
Freddie Mac			
30 Yr. Fixed	7.17%	-0.27	0.00
15 Yr. Fixed	6.44%	-0.32	0.00
Mortgage Banke	rs Assoc.		
30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87
Rates as of: 4/26			

© 2024 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.



Of course, longer term yields have more to think about than just the Fed, as we can see based on the varying performance in 2yr and 10yr Treasuries over the past week/month/year. Even so, the Fed's decision will be the **biggest input** for the entire bond market. While a hike might not have the same upward pressure on 10's as it would on 2's, it would still be a big deal.

Subscribe to my newsletter online at: http://mortgagenewsletter.net/timothybaron

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

