



## The Arizona Loan Baron

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### A Message from The Arizona Loan Baron:

*"About a half hour until the Fed announcement..."*

## The Day Ahead: Big Move This Afternoon, Either Way

More than any recent event--more than any silly old NFP report--today's FOMC events can and will move markets in a big way. It's not that markets are going to be surprised by a rate hike if it happens. Rather, it's the fact that a rate hike determines the **cost of money itself**. With so many financial institutions borrowing short term money for all manner of spending, even a .125% increase in the cost of that money would be grounds for significant adjustment in financial markets.

Similarly, if we assume that markets are at least halfway prepared for a hike that doesn't come today, there's however much time there is between now and the next Fed meeting to have some more fun with that cheaper money. And **be fair Janet...** you say October is on the table for a hike, but I'm not sure anyone believes a meeting without a press conference is fair game. You'd have to show us before we'd believe you. So really, there are roughly 2 months of fun to be had if there's no hike.

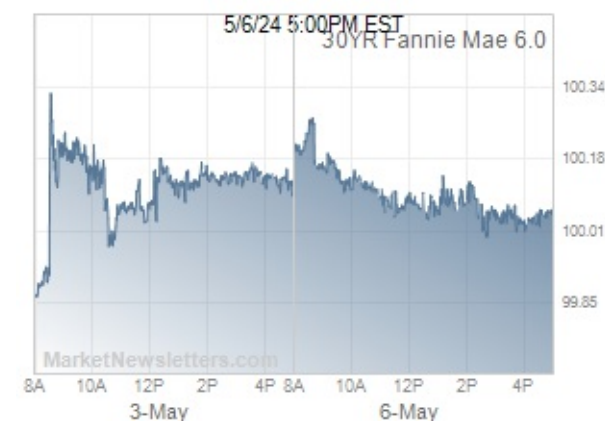
I know I said yesterday that I would make a bullish technical case for bonds with charts that were just as convincing. I checked. There aren't as many options. But that can be (and has been) bullish in itself. I can't count the times that a certain point of few gained lopsided sponsorship due to a preponderance of technical support or lip service from talking heads. Even then, we don't really have a lopsided belief that rates will move higher after the Fed. In fact, we have a lot of opinions out there about a lot of different outcomes--so much so, that we should be **very surprised** if we don't get a huge move, no matter what happens. It remains to be seen if hike or no hike produces a rally or sell-off.

For those of you who needed that bullish chart, here's long term 10yr yields. The **trend is your friend**, until it's not your friend any more.

## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.05	<b>-0.03</b>
MBS GNMA 6.0	100.92	<b>-0.11</b>
10 YR Treasury	4.4926	<b>+0.0067</b>
30 YR Treasury	4.6395	<b>+0.0031</b>

Pricing as of: 5/6 10:26PM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.25%	<b>-0.03</b>	0.00
15 Yr. Fixed	6.68%	<b>-0.07</b>	0.00
30 Yr. FHA	6.64%	<b>-0.06</b>	0.00
30 Yr. Jumbo	7.45%	<b>-0.03</b>	0.00
5/1 ARM	7.32%	<b>-0.03</b>	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	7.22%	<b>-0.22</b>	0.00
15 Yr. Fixed	6.47%	<b>-0.29</b>	0.00
<b>Mortgage Bankers Assoc.</b>			
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: 5/6



It won't stop being naive to think this trend won't continue until that upper line is broken. We'd need to be somewhere between 3 and 4 percent for that to happen today.

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## 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**

