



The Arizona Loan Baron

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A Message from The Arizona Loan Baron:

"Great analysis here. Hawkish = bad for interest rates, dovish = good for interest rates."

UPDATE: Fed Talking Points Broken Down and Labeled Good/Bad/Neutral For Bonds

Here's a quick topic by topic breakdown of shifts in the Fed's verbiage. It's useful to understand "**dovish vs hawkish**" to best understand the "verdicts" below. Ultimately though, there was very little meaningful new info in today's announcement--a real snoozer.

1. On Economic Activity and Job Gains

- **BEFORE:** "rising moderately so far this year. Job gains have remained solid." "Unemployment rate has stayed low"
- **AFTER:** "rising at a solid rate despite hurricane-related disruptions. Although hurricanes caused a drop in payroll employment in September, the unemployment rate declined further"
- **VERDICT:** slightly hawkish, as the Fed pointed out unemployment drop despite hurricanes.

2. On Inflation and Prices

- **BEFORE:** "overall inflation and the measure excluding food and energy have declined"
- **AFTER:** "Gasoline prices rose in the aftermath of the hurricanes, boosting overall inflation in September, however, inflation for items other than food and energy remained soft."
- **VERDICT:** more dovish because the Fed is pointing out soft inflation even though energy prices were expected to pull up core inflation to some extent

3. On Hurricanes

- **BEFORE:** "Hurricanes Harvey, Irma, and Maria have devastated many communities, inflicting severe hardship. Storm-related disruptions and rebuilding will affect economic activity in the near term."
- **AFTER:** "Hurricane-related disruptions and rebuilding will continue to affect economic activity, employment, and inflation in the near term."
- **VERDICT:** mostly a reminder of what the Fed stated last time, but the

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.44	+0.07
MBS GNMA 6.0	100.59	+0.24
10 YR Treasury	4.6137	+0.0001
30 YR Treasury	4.7300	-0.0010

Pricing as of: 4/29 9:32PM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			

30 Yr. Fixed	7.43%	-0.02	0.00
15 Yr. Fixed	6.85%	-0.01	0.00
30 Yr. FHA	6.92%	-0.03	0.00
30 Yr. Jumbo	7.63%	-0.01	0.00
5/1 ARM	7.50%	0.00	0.00

Freddie Mac

30 Yr. Fixed	7.17%	-0.27	0.00
15 Yr. Fixed	6.44%	-0.32	0.00

Mortgage Bankers 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: 4/29

addition of "employment and inflation" to last month's "economic activity" is possibly slightly dovish.

4. On Hurricane-related price implications

- **BEFORE:** "Higher prices for gasoline and some other items inn the aftermath of the hurricanes will likely boost inflation temporarily."
- **AFTER:** completely deleted
- **VERDICT:** mostly a matter of housekeeping, but it did serve as a somewhat dovish reminder of inflation's intractability



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The Arizona Loan Baron

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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.

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