



The Arizona Loan Baron

Timothy Baron, VP & Senior Loan Officer at The Arizona 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](#)

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	100.55	-0.25
MBS GNMA 6.0	101.31	-0.18
10 YR Treasury	4.3696	-0.0073
30 YR Treasury	4.5136	+0.0075

Pricing as of: 5/17 12:39AM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.02%	+0.03	0.00
15 Yr. Fixed	6.53%	+0.03	0.00
30 Yr. FHA	6.55%	+0.03	0.00
30 Yr. Jumbo	7.31%	+0.01	0.00
5/1 ARM	7.24%	+0.04	0.00
Freddie Mac			
30 Yr. Fixed	7.02%	-0.42	0.00
15 Yr. Fixed	6.28%	-0.48	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.08%	-0.10	0.63
15 Yr. Fixed	6.61%	+0.01	0.65
30 Yr. FHA	6.89%	-0.03	0.94
30 Yr. Jumbo	7.22%	-0.09	0.58
5/1 ARM	6.56%	-0.04	0.66

Rates as of: 5/16



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.

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

