



## 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	100.39	+0.19
MBS GNMA 6.0	100.53	+0.14
10 YR Treasury	4.3675	+0.0073
30 YR Treasury	4.5420	+0.0123

Pricing as of: 7/4 10:51PM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.03%	+0.09	0.62
15 Yr. Fixed	6.56%	+0.09	0.54
30 Yr. FHA	6.90%	+0.11	0.95
30 Yr. Jumbo	7.11%	-0.01	0.50
5/1 ARM	6.38%	+0.11	0.54

Rates as of: 7/3



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**

