



## Jeffrey Chalmers

Senior Loan Officer, Movement Mortgage  
NMLS #76803 - #39179 Licensed: CA, CT, FL, MA, ME, NH,  
99 Rosewood Dr, Suite 270 Danvers, MA 01923

Office: (774) 291-6527  
Mobile: (774) 291-6527  
Fax: (855) 951-5626  
[jeffrey.chalmers@movement.com](mailto:jeffrey.chalmers@movement.com)  
[View My Website](#)

### A Message from Jeffrey Chalmers:

"Are interest rates set to rise in September? Most definitely."

## UPDATE: Bonds Rally on Powell's Opening Remarks

- POWELL SAYS FED SEES NO CLEAR SIGN OF INFLATION ACCELERATING ABOVE 2 PCT
  - Translation:** If inflation isn't accelerating above 2 pct, that's one less reason to feel a sense of urgency about hiking rates
- POWELL SAYS THERE DOES NOT SEEM TO BE ELEVATED RISK OF OVERHEATING
  - Translation:** One more reason we don't need to hurry toward higher rates
- FED'S POWELL SAYS GRADUAL RATE HIKES NAVIGATE RISKS OF GOING TOO SLOWLY VS TOO FAST
  - Translation:** Like I said, we don't need to hurry toward higher rates because going to fast could be just as bad as going too slow, and I just told you we're probably not going too fast!
- POWELL SAYS HE'S CONFIDENT FED WOULD DO WHATEVER IT TAKES SHOULD INFLATION EXPECTATIONS SHIFT OR CRISIS THREATEN
  - Translation:** And another thing! Even if I'm not hitting the nail on the head here with respect to the pace of rate hikes, we're ready to respond quickly
- FED CHAIR POWELL SAYS FURTHER INTEREST RATE HIKES LIKELY APPROPRIATE IF STRONG INCOME AND JOB GROWTH CONTINUE
  - Translation:** If wage growth stays stagnant or if job creation declines, expect our rate hike outlook to decelerate.

These newswires are balanced at first glance, but have undeniably dovish overtones. Powell is making a case for slow rate hikes. The last bullet point is perhaps the most important because it lays out a contingency for ongoing hikes. It's important because Powell knows that this economy can't continue to create 200k jobs per month with unemployment under 4% for very long,

### MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.44	-0.18
MBS GNMA 6.0	100.25	-0.15
10 YR Treasury	4.6422	+0.0408
30 YR Treasury	4.7712	+0.0419

Pricing as of: 4/24 5:02PM EST

### Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.39%	+0.01	0.00
15 Yr. Fixed	6.83%	+0.01	0.00
30 Yr. FHA	6.87%	+0.01	0.00
30 Yr. Jumbo	7.58%	0.00	0.00
5/1 ARM	7.40%	0.00	0.00

#### Freddie Mac

30 Yr. Fixed	7.10%	-0.34	0.00
15 Yr. Fixed	6.39%	-0.37	0.00

#### Mortgage Bankers Assoc.

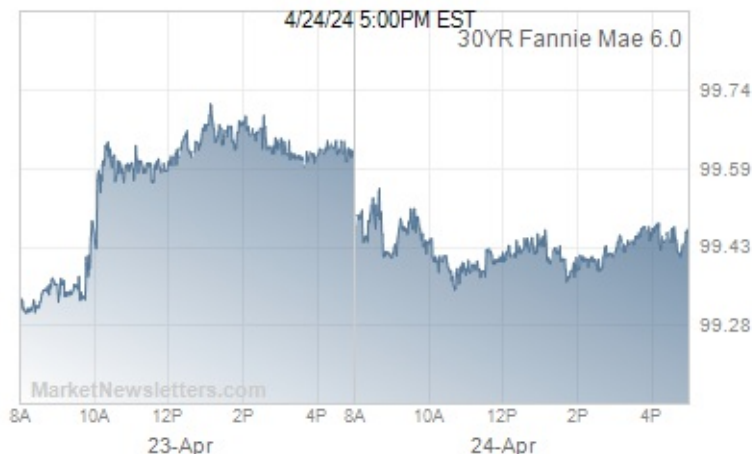
30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 4/24

and if it can, that will likely mean minimal pressure on wages (higher supply of workers = lower cost of labor, aka wages, all other things being equal. Supply/Demand 101).

So Powell is going all-in versus the alleged continuation of the economic expansion. Everyone will be happy if he's wrong (more jobs, higher wages, more econ growth). LOs will be happy if he's right (big picture shift in rate momentum).

After being modestly weaker, bonds moved back to unchanged after these remarks.



Subscribe to my newsletter online at: <http://housingnewsletters.com/clicknfinance>

## Because Integrity Matters™

Jeffrey has spent the last three decades perfecting an Honest, Open and Transparent (HOT™) loan and closing process that is laser-focused on enhancing the consumer mortgage experience. By combining old-school, trustworthy customer service with real-time, mobile-friendly technology, he has successfully built thousands of loyal, raving fans.

**Jeffrey Chalmers**

