

## Yesenia Ruvalcaba-Garcia

Broker/Owner, New Century Realtors & Associates Inc DRE 01293970/NMLS 255242 254 E Rowland St Covina, CA 91723

### Mobile: 626-252-0839 newcenturybroker@gmail.com View My Website

# The Rate Also Rises

Years from now when scientists examine mortgage rates in July 2020, they'd be forgiven for coming to the conclusion that rates only ever move lower. As we've learned in the first week of August, rates also rise.

To be fair, there were a few days in July where more than a few lenders moved slightly higher in rate, but it really wasn't until this week that we arguably saw a shift in the broader trend--or at least warning signs about a potential shift.

### What does that mean, exactly?

It might not mean much at all, depending on where we go from here. Over longer time horizons, it's entirely possible that rates return to recent record lows. This week's upward movement serves as more of a warning about complacency and about being ready to lock if you happen to have a loan in process.

In that regard, August is no different than any other month. Lenders all have certain requirements that must be met--certain documentation that must be submitted--before they'll lock your loan. It's always a good idea to clear those hurdles ASAP as it leaves you in the most flexible position. If scary things are happening in the rate market, you can lock ASAP! If rates are moving calmly lower, you're ready to react whenever that changes and can rest easy in the meantime.

### So is this one of those scary times?

As of right now, things aren't too scary. Rates have certainly moved up a bit from recent lows (despite what you may have seen elsewhere), but they remain exceptionally low in the bigger picture. The decision to roll the dice on rates coming back down is a matter of personal preference, but I wouldn't take it lightly.

We can get a sense of momentum in the broader bond market by looking at 10yr Treasury yields. These don't directly dictate rates, but if there's a decisive shift in 10yr Treasuries, mortgage rates will likely be moving in the same direction.

## National Average Mortgage Rates



### Mortgage News Daily

inter the subscription of	Jany		
30 Yr. Fixed	7.38%	-0.05	0.00
15 Yr. Fixed	6.82%	-0.03	0.00
30 Yr. FHA	6.86%	-0.05	0.00
30 Yr. Jumbo	7.58%	-0.04	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
Rates as of: 4/23			

## Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.61	+0.14
MBS GNMA 6.0	100.40	+0.10
10 YR Treasury	4.6257	+0.0243
30 YR Treasury	4.7460	+0.0167
Pricing as of: 4/24 2:29AM EST		

## Recent Housing Data

		Value	Change
Mortgage Apps	Apr 17	202.1	+3.27%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Feb	662K	+0.15%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%
Builder Confidence	Mar	51	+6.25%

© 2024 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/newcenturybroker



In thinking about the link between coronavirus and rates, it's easy to conclude that rates will stay low or move lower. A lot of people have made similarly easy conclusions about market movement in the past only to find out that the market doesn't always behave logically.

To be clear, I'm NOT saying rates are destined to continue higher from here. Instead, the takeaway from this week is that rates CAN move higher even when it looks like such a move isn't in the playbook. Moreover, we should increasingly be on the lookout for corrections when rates have been doing one thing in a very consistent way for weeks on end. This is one of the key reasons for last week's discussion on whether or not you should wait for lower rates.

#### What are the key factors likely to drive that momentum (or the potential reversal)?

Past precedent teaches us that rates consistently respond to the economy. With Friday's big jobs report--traditionally the most important economic data to the bond market--coming in stronger than expected, it's tempting to blame it for the upward pressure on rates.

In the current environment, however, traders are far more interested in stimulus negotiations and next week's Treasury auctions (where the US government sells Treasury notes/bonds to investors). Both of these speak to the SUPPLY of bonds in the market. Simply put, we need a lot of them to pay for stimulus and the ongoing revenue shortfall (due to things like tax cuts and significantly lower economic activity).

Like anything, higher supply means lower prices, and when it comes to bonds, lower prices mean higher rates. Of course this is one of those "all other things being equal" kind of points. Traders already knew about stimulus and supply. Even so, it's not uncommon to see the bond market get a bit nervous as it waits for clarity. After next week's record-sized Treasury auctions and additional stimulus negotiations, we'll have a much better sense of the effects on supply as well as the market's willingness to buy it!

Subscribe to my newsletter online at: http://housingnewsletters.com/newcenturybroker

## **Recent Economic Data**

**Event Importance:** 

© 2024 MBS Live, LLC. - This newsletter is a service of <u>MarketNewsletters.com</u>.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: <u>http://housingnewsletters.com/newcenturybroker</u>

## **US Housing Market Weekly**

10:00AM    Jul ISM Manufacturing PMI    54.2    53      Tuesday, Aug 04	0 -2.1					
10:00AM  Jun Construction spending (%)  -0.7  1    10:00AM  Jul ISM Manufacturing PMI  54.2  53    Tuesday, Aug 04  10:00AM  Jun Factory orders mm (%)  6.2  5    Wednesday, Aug 05  -0.7  1  5  5    7:00AM  w/e MBA Purchase Index  300.7  3  5    7:00AM  w/e Mortgage Refinance Index  3688.1  15    8:15AM  Jul ADP National Employment (k)  167  150    10:00AM  Jul ISM N-Mfg PMI  58.1  55    Thursday, Aug 06						
10:00AM  Jul ISM Manufacturing PMI  54.2  53    Tuesday, Aug 04						
Tuesday, Aug 04      10:00AM    Jun Factory orders mm (%)    6.2    5      Wednesday, Aug 05      7:00AM    w/e MBA Purchase Index    300.7    7      7:00AM    w/e Mortgage Refinance Index    3688.1    150      8:15AM    Jul ADP National Employment (k)    167    150      10:00AM    Jul ISM N-Mfg PMI    58.1    55      Thursday, Aug 06    1186    144      Friday, Aug 07    8:30AM    w/e Jobless Claims (k)    1186    144      Friday, Aug 07    10:0    10:0    10:0    160      8:30AM    Jul Non-farm payrolls (k)    1763    160      8:30AM    Jul Unemployment rate mm (%)    10.2    100      3:00PM    Jun Consumer credit (bl)    8.95    100      3:00PM    Jul Core Producer Prices YY (%)    0.3    00      1:00PM    3-Yr Note Auction (bl)    48    40      Wednesday, Aug 12    7:00AM    w/e Mortgage Refinance Index    4025.0    7:00AM	6 52.6					
10:00AM  Jun Factory orders mm (%)  6.2  5    Wednesday, Aug 05    7:00AM  w/e MBA Purchase Index  300.7    7:00AM  w/e Mortgage Refinance Index  3688.1    8:15AM  Jul ADP National Employment (k)  167  150    10:00AM  Jul ISM N-Mfg PMI  58.1  55    Thursday, Aug 06  1186  144    Friday, Aug 07  1186  144    8:30AM  w/e Jobless Claims (k)  1763  160    8:30AM  Jul Non-farm payrolls (k)  1763  160    8:30AM  Jul Unemployment rate mm (%)  10.2  100    3:00PM  Jun Consumer credit (bl)  8.95  100    3:00PM  Jul Core Producer Prices YY (%)  0.3  00    1:00PM  3-Yr Note Auction (bl)  48  00    Wednesday, Aug 12  7:00AM  w/e Mortgage Refinance Index  4025.0    7:00AM  w/e MBA Purchase Index  306.6  00						
Wednesday, Aug 05      7:00AM    w/e MBA Purchase Index    300.7      7:00AM    w/e Mortgage Refinance Index    3688.1      8:15AM    Jul ADP National Employment (k)    167      10:00AM    Jul ISM N-Mfg PMI    58.1      55    55      Thursday, Aug 06    1186      8:30AM    w/e Jobless Claims (k)    1186      Friday, Aug 07    10:0      8:30AM    Jul Non-farm payrolls (k)    1763      8:30AM    Jul Non-farm payrolls (k)    1763      8:30AM    Jul Onemployment rate mm (%)    10.2      3:00PM    Jun Consumer credit (bl)    8.95      8:30AM    Jul Core Producer Prices YY (%)    0.3      1:00PM    3-Yr Note Auction (bl)    48      Wednesday, Aug 12    100    48      7:00AM    w/e Mortgage Refinance Index    4025.0      7:00AM    w/e MBA Purchase Index    306.6						
7:00AM    w/e MBA Purchase Index    300.7      7:00AM    w/e Mortgage Refinance Index    3688.1      8:15AM    Jul ADP National Employment (k)    167      10:00AM    Jul ISM N-Mfg PMI    58.1      10:00AM    Jul ISM N-Mfg PMI    58.1      55    Thursday, Aug 06    1186      8:30AM    w/e Jobless Claims (k)    1186      Friday, Aug 07    1186    144      Friday, Aug 07    10.2    10.2      8:30AM    Jul Non-farm payrolls (k)    1763    160      8:30AM    Jul Unemployment rate mm (%)    10.2    10.2      3:00PM    Jun Consumer credit (bl)    8.95    10.0      Tuesday, Aug 11    10.0    48    11.0      8:30AM    Jul Core Producer Prices YY (%)    0.3    0.0      1:00PM    3-Yr Note Auction (bl)    48    10.0      Wednesday, Aug 12    7:00AM    w/e Mortgage Refinance Index    4025.0      7:00AM    w/e MBA Purchase Index    306.6    10.0	0 8.0					
7:00AM    w/e Mortgage Refinance Index    3688.1      8:15AM    Jul ADP National Employment (k)    167    150      10:00AM    Jul ISM N-Mfg PMI    58.1    55      Thursday, Aug 06    1186    144      Friday, Aug 07    1186    144      S:30AM    w/e Jobless Claims (k)    1763    166      8:30AM    Jul Non-farm payrolls (k)    1763    166      8:30AM    Jul Unemployment rate mm (%)    10.2    100      3:00PM    Jun Consumer credit (bl)    8.95    100      3:00PM    Jul Core Producer Prices YY (%)    0.3    00      1:00PM    3-Yr Note Auction (bl)    48    00      Wednesday, Aug 12    12    100    100      7:00AM    w/e Mortgage Refinance Index    4025.0    100						
8:15 AM    Jul ADP National Employment (k)    167    157      10:00 AM    Jul ISM N-Mfg PMI    58.1    55      Thursday, Aug 06      Thursday, Aug 07      8:30 AM    w/e Jobless Claims (k)    1186    144      Friday, Aug 07    1186    144      Si30 AM    Jul Non-farm payrolls (k)    1763    166      8:30 AM    Jul Non-farm payrolls (k)    1763    166      8:30 AM    Jul Unemployment rate mm (%)    10.2    10.0      3:00 PM    Jun Consumer credit (bl)    8.95    10.0      3:00 PM    Jul Core Producer Prices YY (%)    0.3    0.0      1:00 PM    3-Yr Note Auction (bl)    48    0.0      Wednesday, Aug 12    100    48    0.0      7:00 AM    w/e Mortgage Refinance Index    4025.0    0.0      7:00 AM    w/e MBA Purchase Index    306.6    0.0	306.1					
10:00AM  Jul ISM N-Mfg PMI  58.1  55.1    Thursday, Aug 06    8:30AM  w/e Jobless Claims (k)  1186  14    Friday, Aug 07  1186  14    8:30AM  Jul Non-farm payrolls (k)  1763  166    8:30AM  Jul Non-farm payrolls (k)  1763  166    8:30AM  Jul Unemployment rate mm (%)  10.2  10.0    3:00PM  Jun Consumer credit (bl)  8.95  10.0    3:00PM  Jul Core Producer Prices YY (%)  0.3  0.0    1:00PM  3-Yr Note Auction (bl)  48  0    Wednesday, Aug 12  12  10  10    7:00AM  w/e Mortgage Refinance Index  4025.0  10    7:00AM  w/e MBA Purchase Index  306.6  10	3955.9					
Thursday, Aug 06      8:30AM    w/e Jobless Claims (k)    1186    14      Friday, Aug 07    1186    14      8:30AM    Jul Non-farm payrolls (k)    1763    166      8:30AM    Jul Non-farm payrolls (k)    1763    166      8:30AM    Jul Unemployment rate mm (%)    10.2    100      3:00PM    Jun Consumer credit (bl)    8.95    100      3:00PM    Jun Consumer credit (bl)    8.95    100      8:30AM    Jul Core Producer Prices YY (%)    0.3    0      1:00PM    3-Yr Note Auction (bl)    48    0      Wednesday, Aug 12    1    1    1      7:00AM    w/e MBA Purchase Index    306.6    1	0 2369					
8:30AM  w/e Jobless Claims (k)  1186  14    Friday, Aug  07  1186  14    Friday, Aug  07  1186  14    8:30AM  Jul Non-farm payrolls (k)  1763  166    8:30AM  Jul Unemployment rate mm (%)  10.2  100    3:00PM  Jun Consumer credit (bl)  8.95  100    3:00PM  Jun Consumer credit (bl)  8.95  100    Tuesday, Aug 11  100 PM  3-Yr Note Auction (bl)  0.3  00    1:00PM  3-Yr Note Auction (bl)  48  00  00    7:00AM  w/e Mortgage Refinance Index  4025.0  00    7:00AM  w/e MBA Purchase Index  306.6  00	0 57.1					
Friday, Aug U7    8:30AM  Jul Non-farm payrolls (k)  1763  160    8:30AM  Jul Unemployment rate mm (%)  10.2  10.0    3:00PM  Jun Consumer credit (bl)  8.95  10.0    3:00PM  Jun Consumer credit (bl)  8.95  10.0    Tuesday, Aug 11  8:30AM  Jul Core Producer Prices YY (%)  0.3  0.0    1:00PM  3-Yr Note Auction (bl)  48  4025.0  0    7:00AM  w/e Mortgage Refinance Index  4025.0  0  0						
8:30AM    Jul Non-farm payrolls (k)    1763    166      8:30AM    Jul Unemployment rate mm (%)    10.2    10.2      3:00PM    Jun Consumer credit (bl)    8.95    10.4      Tuesday, Aug 11    100PM    3-Yr Note Auction (bl)    0.3    00      1:00PM    3-Yr Note Auction (bl)    48    00    00      7:00AM    w/e Mortgage Refinance Index    4025.0    00    00	5 1435					
8:30AMJul Unemployment rate mm (%)10.210.23:00PMJun Consumer credit (bl)8.9510.4Tuesday, Aug 118:30AMJul Core Producer Prices YY (%)0.30.31:00PM3-Yr Note Auction (bl)4848Wednesday, Aug 127:00AMw/e Mortgage Refinance Index4025.07:00AMw/e MBA Purchase Index306.6	Friday, Aug 07					
3:00PMJun Consumer credit (bl)8.9510.0Tuesday, Aug 118:30AMJul Core Producer Prices YY (%)0.30.31:00PM3-Yr Note Auction (bl)4848Wednesday, Aug 127:00AMw/e Mortgage Refinance Index4025.07:00AMw/e MBA Purchase Index306.6	0 4800					
Tuesday, Aug 118:30AMJul Core Producer Prices YY (%)0.30.31:00PM3-Yr Note Auction (bl)48Wednesday, Aug 127:00AMw/e Mortgage Refinance Index4025.07:00AMw/e MBA Purchase Index306.6	5 11.1					
8:30AMJul Core Producer Prices YY (%)0.30.31:00PM3-Yr Note Auction (bl)48Wednesday, Aug 127:00AMw/e Mortgage Refinance Index4025.07:00AMw/e MBA Purchase Index306.6	0 -18.28					
1:00PM3-Yr Note Auction (bl)48Wednesday, Aug 124025.07:00AMw/e Mortgage Refinance Index4025.07:00AMw/e MBA Purchase Index306.6						
Wednesday, Aug 127:00AMw/e Mortgage Refinance Index4025.07:00AMw/e MBA Purchase Index306.6	0 0.1					
7:00AMw/e Mortgage Refinance Index4025.07:00AMw/e MBA Purchase Index306.6						
7:00AM w/e MBA Purchase Index 306.6						
	3688.1					
8:30AM Jul Core CPI (Annual) (%)	300.7					
	1 1.2					
Friday, Aug 14						
8:30AM Jul Retail Sales (%) 1.2	9 7.5					
9:15AM Jul Industrial Production (%) 3.0 3	0 5.4					
10:00AM Aug Consumer Sentiment 72.8 72	0 72.5					
Wednesday, Oct 07						
1:00PM 10-yr Note Auction (bl) 35						
Thursday, Oct 08						
1:00PM 30-Yr Bond Auction (bl) 23						

### No Stars = Insignificant

August 7, 2020

☆ Low

- 🔺 Moderate
- mportant Important
- ★★ Very Important

# Who You Work With Matters

Yesenia Ruvalcaba-Garcia



© 2024 MBS Live, LLC. - This newsletter is a service of <u>MarketNewsletters.com</u>.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: <u>http://housingnewsletters.com/newcenturybroker</u>