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# The Day Ahead: Judges Determined Not To Be Impressed

If this week's economic data and events were auditioning for some reality show, market participants would be like the judges. This would be like one of the weeks early on in the season, from a city on the tour stop that didn't end up generating much footage for the show. By the end of it, the judges are **wondering why they came**. At this point, it would take a truly tremendous performance to impress them.

To be clear, we're talking about today's **Retail Sales** data and its role as the final performer in this week's line up of economic data. It would have to be either exceptionally strong or even more exceptionally weak to get the attention of market participants ('judges' in this case).

Even if it manages to put in a suitably dramatic performance, the proverbial show must go on. At this stage in the game, Retail Sales data is **powerless** to deter the glacial inevitability of next week's Fed hike. Indeed, this block of ice was set in motion all the way back in 2013. We can see that by using 2yr Treasuries as a reasonable proxy for the Fed Funds rate.

The 2yr is useful because it also captures some of the **subtler variability** seen over the past 6 years whereas the Fed Funds Target has merely been a flat line. When you see just how linear that move has been AND when you consider just how small this movement has been compared to past cycles, you may well wonder what all the fuss is about.

## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.26	+0.20
MBS GNMA 6.0	100.26	+0.19
10 YR Treasury	4.6578	-0.0461
30 YR Treasury	4.7723	-0.0416

Pricing as of: 4/26 9:01AM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.52%	+0.13	0.00
15 Yr. Fixed	6.91%	+0.08	0.00
30 Yr. FHA	7.00%	+0.13	0.00
30 Yr. Jumbo	7.68%	+0.10	0.00
5/1 ARM	7.55%	+0.15	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	7.17%	-0.27	0.00
15 Yr. Fixed	6.44%	-0.32	0.00
<b>Mortgage Bankers Assoc.</b>			
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: 4/25



Long story short, Retail Sales can do whatever it wants. It can even make for another spike in the upper half of this chart. But even if it does, the glacier will continue going wherever it set out to go when it first began moving.

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Rich E. Blanchard

