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ALERT: Weaker After Labor Cost Data

Bond markets were already trading weaker following a [risk-on](#) move in Europe, but yields are moving even higher following the Productivity and Costs data. "Labor Costs" came in at +3.0 vs a median forecast of +2.5 (and +1.3 previously), which suggests increasing wage pressure. Increasing wage pressure suggests increased inflation prospects. And increasing inflation prospects are unfriendly toward bonds.

10yr yields are up 2.9bps this morning at 2.35 and Fannie 3.5 MBS are down an eighth of a point at 102-18



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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	4.3764	-0.0005
30 YR Treasury	4.5169	+0.0108

Pricing as of: 5/17 2:17AM 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

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With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

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