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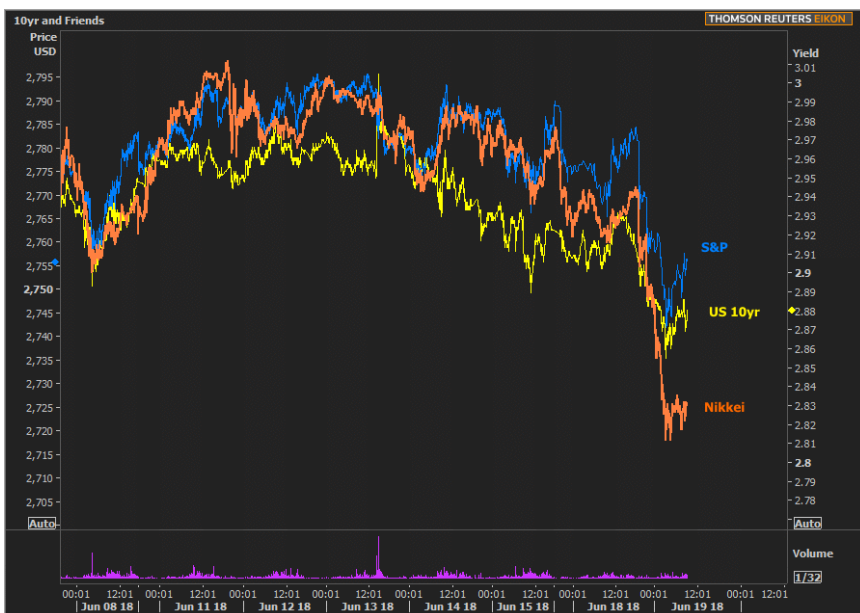
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## UPDATE: Closer Look At Asia Driving Bond Gains

The past few days of tariff-related rhetoric are fueling a classic "risk-off" trade with stocks selling and bonds rallying. To hear most news articles say it, the latest round of brinksmanship was "unexpected" relative to the initial \$50bln in Chinese tariffs. Combine that with several markets, including China, closed yesterday for the Dragon Boat Festival, and today has seen the rubber band snap back a bit.

Granted, the Nikkei was open yesterday, and Japan isn't at the center of the trade dispute, but the Nikkei is nonetheless the leading barometer for Asian equities markets. All that to justify its inclusion in the following chart (if I charted Chinese equities/futures, we wouldn't get to see as much correlation early in the overnight session due to opening times).



The previous chart shows how Asian markets set the tone right from the outset. The Shanghai stock exchange opens 2 hours later on any given night. The following chart shows how it would stack up to the chart above in terms of relative movement in recent weeks.

## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.46	+0.07
MBS GNMA 5.5	99.79	+0.01
10 YR Treasury	4.2286	-0.0239
30 YR Treasury	4.4552	-0.0173

Pricing as of: 7/23 12:54PM EST

## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.87%	-0.02	0.00
15 Yr. Fixed	6.32%	-0.01	0.00
30 Yr. FHA	6.33%	0.00	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.59%	+0.01	0.00

### Freddie Mac

30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00

### Mortgage Bankers Assoc.

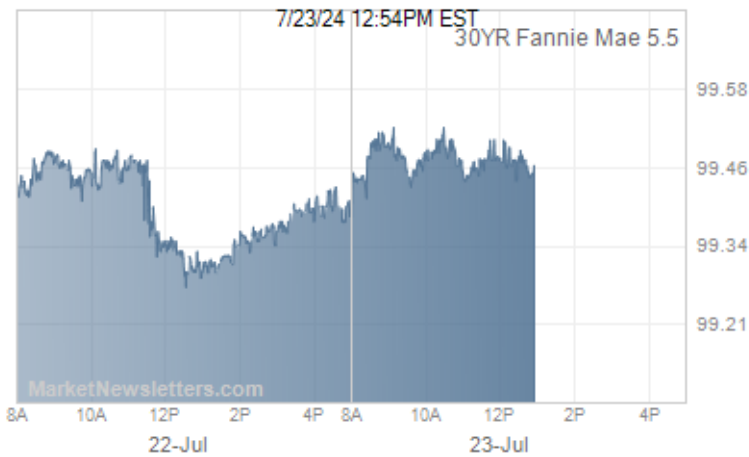
30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/23



**Bottom line:** yesterday's tariff drama was a big deal for Chinese equities markets--big enough to send shockwaves throughout global equities markets (which are spilling over into safe-haven demand for bonds).

**Notably,** the best levels of the day for bonds coincided with the close for Chinese equities trading. We've been drifting gradually higher in yield since then. Point being, if you already have rates for the day, and if they are noticeably improved versus yesterday (as they should be) keep an eye out for a continuation of the weaker trend this morning.



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Breton is a Branch Manager & Sr Loan Officer at the top of his field for over 15 years. Transparency & treating people like family is how he has built a solid network of referral & repeat business over the years. Candor and expertise is how he communicates & consistently closes on time getting the best loan possible. With Geneva Financials' wide array of products & its seamless, straightforward process he will be able to find you the best mortgage structured the right way. With a positive attitude, Breton is consummate pro who is honest, upfront & shoots it to you straight. 949-887-7289

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