



BRETON MACDONALD

Mortgage Banker/Broker/Branch Manager, Geneva Financial LLC
174698
3155 S. Price Road, Suite 105 Chandler, Arizona 85248

Office: 949-887-7289
Mobile: 949-887-7289
bmacdonald@genevafi.com
[View My Website](#)

A Message from BRETON MACDONALD:

"BIG OVERNIGHT RATE DROP!"

UPDATE: Big Bond rally and Amazingly Awkward Chinese Central Bank Comments

Bonds are rallying sharply overnight as the Yuan hit the weakest levels against the dollar since before the financial crisis. The move follows as periodic rate-setting from China's central bank (People's Bank of China or PBOC).

The gains may or may not be intact by the domestic session open (10yr yields flirting with 1.76%), and indeed, I rarely write updates at this time of night for that reason. But the following is worth an update just because it's so hilariously awkward.

What follows is a bullet point list of comments from the PBOC (People's Bank of China) following it's decision to peg Yuan at 6.99 vs the dollar (and subsequent panic move up and over 7.00). Let's put it this way: have you ever seen someone try to convince you of an untruth by repeating the same thought multiple times in slightly different ways?

- CHINA CBANK SAYS CAN KEEP YUAN ABSOLUTELY STABLE
- CHINA CBANK SAYS DEPRECIATION OF YUAN DUE TO TRADE PROTECTIONISM, TARIFFS ON CHINESE GOODS
- CHINA CBANK SAYS FLUCTUATION IN YUAN IS NORMAL
- CHINA CBANK SAYS FOREIGN EXCHANGE MARKET CAN FIND ITS BALANCE ON ITS OWN
- CHINA CBANK SAYS IT HAS CONFIDENCE IN ITS ABILITY TO MAINTAIN YUAN'S EXCHANGE RATE AT A REASONABLE LEVEL
- CHINA CBANK SAYS PBOC WILL CRACK DOWN ON SHORT-TERM SPECULATION ON THE YUAN
- CHINA CBANK SAYS WILL ENCOURAGE ENTERPRISES TO PURCHASE HEDGING PRODUCTS TO AVOID EXCHANGE RATE RISKS
- CHINA CBANK SAYS SUGGESTS INVESTORS NOT PUT TOO MUCH ATTENTION ON SPECULATION IN THE FOREIGN EXCHANGE MARKET
- CHINA CBANK SAYS NORMAL FOR YUAN TO FLUCTUATE IN BOTH DIRECTIONS
- CHINA CBANK SAYS THE LEVEL OF 7 YUAN PER U.S. DOLLAR IS

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.51	+0.12
MBS GNMA 5.5	99.92	+0.15
10 YR Treasury	4.2296	-0.0229
30 YR Treasury	4.4547	-0.0178

Pricing as of: 7/23 8:51AM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			

30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	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: 7/22

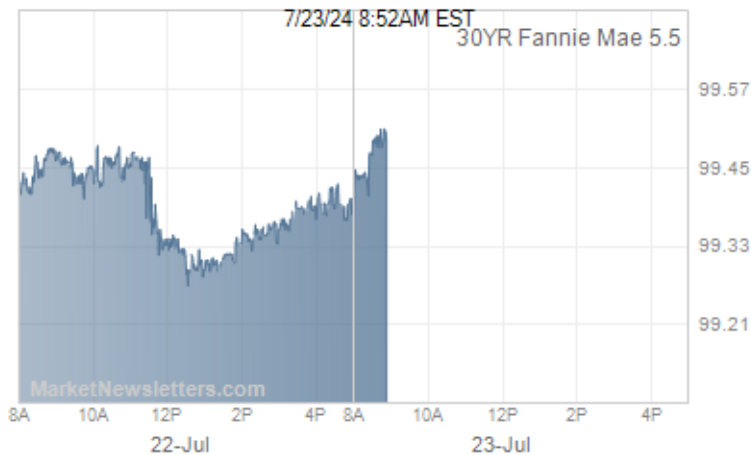
NOT IRREVERSIBLE

Translation:

- Hey! No worries, everything is under control
- If things aren't under control, it wouldn't be our fault anyway
- It's normal for it to look like things are out of control
- It's not our job to keep things under control anyway
- We're confident we can keep this under control, even if this doesn't end up quite like the "this" we expected
- We're coming after anyone trying to keep us from keeping this under control!
- You should protect yourself from the potential fallout of us not being able to keep things under control
- Why are we talking so much about handling this? You shouldn't worry about it, buddy!
- It's normal for it to look like we can't keep everything under control (PART 2)
- OK OK OK, even if we're definitely not keeping everything under control, we could totally get things back under control some other time.

Yikes...

You might be trying just a bit too hard to maintain the illusion, PBOC!



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

FIX Your Rate, Cash Out, Purchase, Reverse. Text or Call 949-887-7289

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

Proudly Licensed in: AZ, CA, CO, CT, DC, DE, GA, ID, HI, IN, KS, LA, MA, MD, MI, MN, ND, NH, NJ, NV, NY, OR, PA, VA, WA. Also Licensed as a Mortgage Broker BRE 02046074

BRETON MACDONALD

