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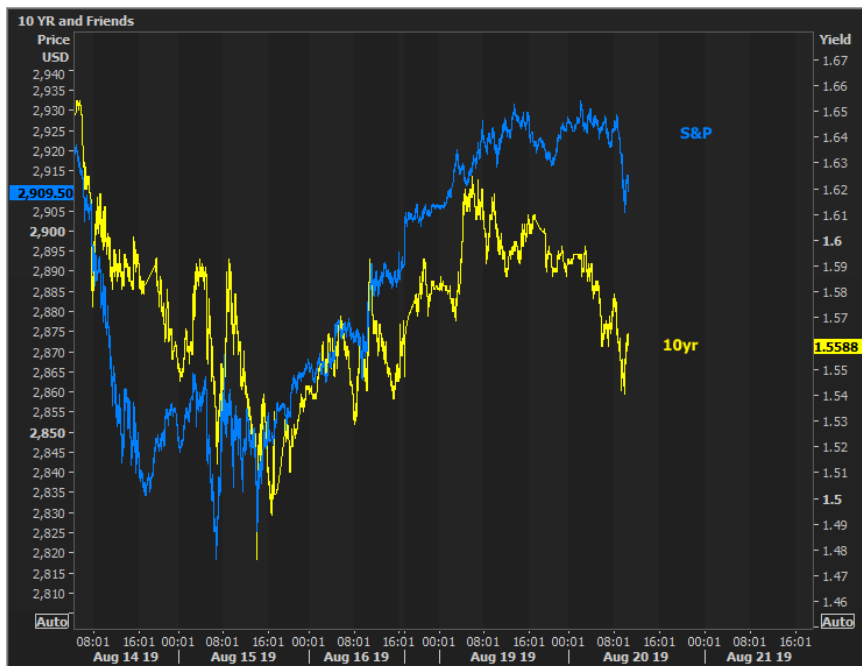
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UPDATE: Yields Follow Stocks Lower (Or Vice Versa?)

At first glance, we may be tempted to conclude that moderately brisk weakness in stocks at the opening bell is the motivation for bonds to hit their best levels of the day shortly thereafter. While there may have been some small measure of extra bond buying demand that came courtesy of stock selling, it's actually easier to make a case for bonds leading the charge and stocks finally giving in.

This can be seen both in the shorter term where overnight bond strength preceded the drop in stocks:



as well as a slightly longer term chart where stocks look like they may be giving up on their attempt to break the ceiling at the 2930-2940 range in S&P futures:

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.49	+0.10
MBS GNMA 5.5	99.90	+0.12
10 YR Treasury	4.2320	-0.0205
30 YR Treasury	4.4566	-0.0159

Pricing as of: 7/23 8:55AM 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

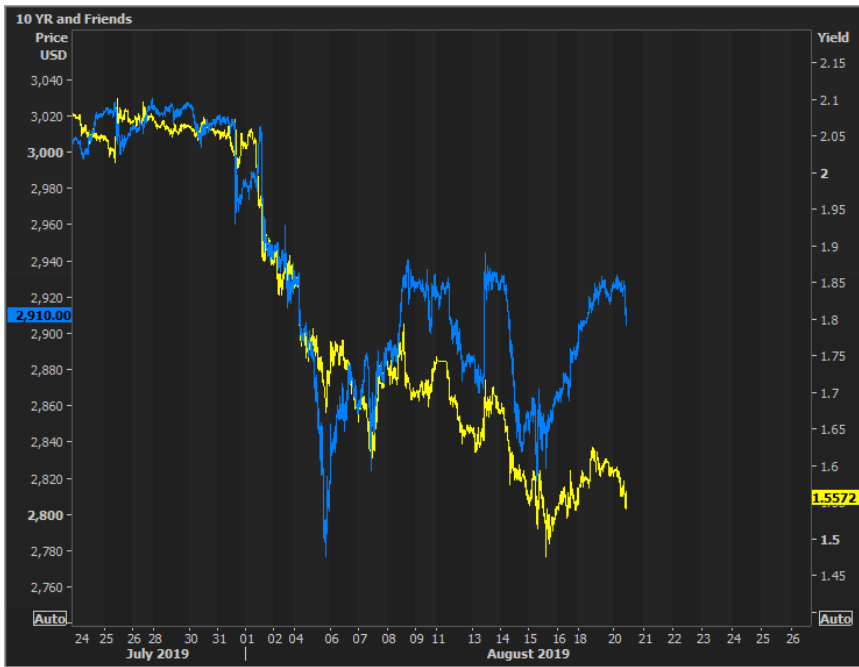
Freddie Mac

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

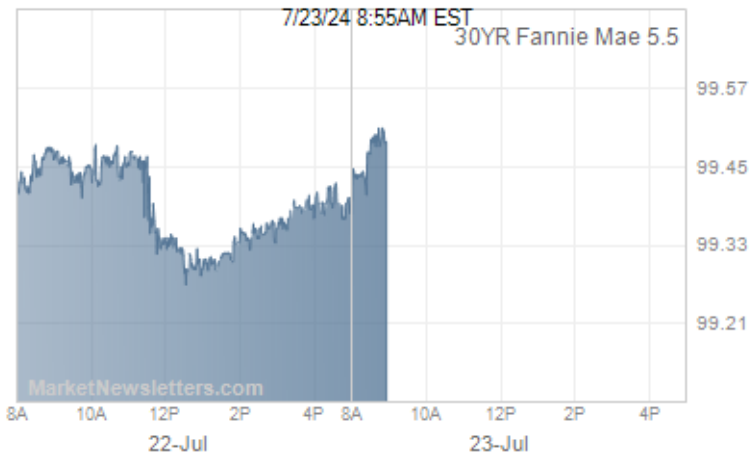
Mortgage Bankers Assoc.

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



The unfortunate byproduct of this otherwise pleasant bond rally is that it reintroduces MBS underperformance after a few days of healing (i.e. Fannie 3.0 prices are up just over an eighth of a point while 10yr note prices are nearly up half a point). All of that is to be expected though.



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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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