



Jeffrey Chalmers

Senior Loan Officer, Movement Mortgage
 NMLS #76803 - #39179 Licensed: CA, CT, FL, MA, ME, NH,
 99 Rosewood Dr, Suite 270 Danvers, MA 01923

Office: (774) 291-6527
 Mobile: (774) 291-6527
 Fax: (855) 951-5626
jeffrey.chalmers@movement.com
[View My Website](#)

A Message from Jeffrey Chalmers:

"The uncertainty of a new Fed Chair could add some unwanted volatility to the markets."

UPDATE: Domestic Bond Markets More Interested in Fed Chair Drama

"Drama" may be a bit of a stretch, but perhaps we could say there's been more horse-trading of the next Fed Chair than the modern financial markets have ever seen. Trump's recent comments have focused on Powell and Taylor above all others. I've argued that the context clues are **so stark** that we could well assume Powell and Taylor were the only 2 options and that Yellen was specifically excluded.

Yesterday, Trump said of Yellen "In one way I have to say, you like to make your own mark ... which is maybe one of things that she's got a little bit against her." In separate comments, Trump has focused his praise on Powell and Taylor despite technically not ruling out other candidates.

Now this morning, Politico--which seems overly-intent on generating exclusive breaking news by citing unnamed sources saying things that could well be inferred from context clues (not a knock on their journalistic integrity, but they've suddenly become the leading source of Fed Chair newswires that some might consider "a stretch")--says that Yellen is **definitely out** and the race is between Powell and Taylor.

The bond market's reaction to this news can be seen in the morning's **biggest Treasury volume spike** and a reversal in the earlier gains that were being led by the fairly friendly ECB announcement.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.68	+0.27
MBS GNMA 5.5	99.98	+0.13
10 YR Treasury	4.1958	-0.0474
30 YR Treasury	4.4523	-0.0305

Pricing as of: 7/26 5:59PM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.86%	-0.05	0.00
15 Yr. Fixed	6.31%	-0.02	0.00
30 Yr. FHA	6.32%	-0.06	0.00
30 Yr. Jumbo	7.04%	-0.03	0.00
5/1 ARM	6.53%	-0.02	0.00

Freddie Mac

30 Yr. Fixed	6.78%	-0.08	0.00
15 Yr. Fixed	6.07%	-0.09	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: 7/26



The next little bounce in volume (not highlighted) saw bonds bounce back when the White House denied the Politico wires and said Trump has **not** made a final decision. Politico itself cited another "senior source" source saying it wasn't safe to assume the nomination was down to Taylor or Powell as Trump "changes his mind every day."

The Fed chair uncertainty is keeping Treasuries from joining European bonds in this morning's potentially bigger rally. With equities markets opening presently, and with yesterday being such a big loss, there's a risk that a rebound in stocks will pull enough money back out of bonds to keep 10yr yields from breaking back below 2.42%--something they'd need to do in order to avoid **fully confirming a shift** into a higher range (2.42% had been a long-standing ceiling, and yesterday's break would be considered a "test" in technical terms--one that would require "confirmation" from a second day spent closing above that level). *More on these technical terms in [this primer...](#)*

10yr yields are currently unchanged at 2.434 and Fannie 3.5s are 1/32nd higher at 102-15. Both are off their best levels of the day and have **weakened slightly** in the first few minutes of the NYSE session.



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

Because Integrity Matters™

Jeffrey has spent the last three decades perfecting an Honest, Open and Transparent (HOT™) loan and closing process that is laser-focused on enhancing the consumer mortgage experience. By combining old-school, trustworthy customer service with real-time, mobile-friendly technology, he has successfully built thousands of loyal, raving fans.

Jeffrey Chalmers

