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MBS Recap: Bond Markets Hunkered Down Ahead of Fed

- Weaker Durable Goods and Consumer Confidence Didn't Help
- Bonds continued slow, steady selling trend
- 10yr yields topped out at 1.94
- Fannie 3.0s lost about an eighth leading some lenders to reprice

The overnight session began innocently enough for bond markets with Treasuries holding sideways to slightly stronger. Once the European session got underway, all bets were off. Treasuries were pulled higher **PRECISELY** from the start of European bond trading to the close. Incidentally, the European close coincides with Treasury auction time slots, so we can't necessarily say the motivations were exclusively European. We could just be looking at nervous bond markets checking anxiety-inducing events off the list ahead of the Fed.

Incidentally, the European close coincides with Treasury auction time slots, so we can't necessarily say the motivations were exclusively European. We could just be looking at **nervous bond markets** checking anxiety-inducing events off the list ahead of the Fed. Either way, bond markets leveled off and went sideways after the 5yr Treasury auction at 1pm.

Data was shunned, with the possible exception of a **brief, token rally** following the Durable Goods data. It's easy to forget that happened, considering it was over within 15 minutes of the release. Weaker Consumer Confidence didn't even get a token reaction before bonds simply continued toward weaker levels.

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MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.0	99.37	+0.02
MBS GNMA 5.0	99.93	+0.02
10 YR Treasury	3.9068	+0.0029
30 YR Treasury	4.1960	+0.0028

Pricing as of: 9/17:34PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00
Freddie Mac			
30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

