



## Dan Clifton

Principal Broker and Mortgage Guru, Clifton Mortgage Services, LLC

NMLS # 284174

670 N Orlando Ave Suite 101 Maitland, FL 32751

Office: 888-681-0777 x1001

Mobile: 407-252-3039

Fax: 866-512-0169

[dan@cliftonmortgageservices.com](mailto:dan@cliftonmortgageservices.com)

[View My Website](#)

## MBS Recap: Single Best Trading Day Since The Election For Bonds

By quite a wide margin, today was the **best day** for bond markets since the election. 10yr yields dropped nearly 10bps, making it all the way to the important technical level of 2.34%. That's a nice move considering we're finally trading in the new year, thus shaking off much of the inconsistencies associated with year-end trading.

In other words, we had the opportunity to read into the rally that took place on the last few days of 2016, but it's hard--**even dangerous**--to draw big-picture conclusions from that tiny pocket of activity. The start of the new year means market participation is getting stronger and volumes are getting bigger (today's 10yr futures volumes were nearly 3 times bigger than those seen on 12/28--the only other day that even came close to matching today's gains).

**How about MBS?** Fannie 3.5s gained **HALF a POINT** by the end of the day. There was a brief pause for profit-taking and position reshuffling heading into the afternoon (a few lenders even repriced for the worse), but bonds came charging back by the end of the day. Overwhelmingly the reprice situation was positive. Several lenders repriced more than once, and rates fell nearly an eighth of a point in many cases.

So what's up with all the gains? This was discussed in greater detail in today's MBS Live updates and the attached video. The quick version is that today was the first time since the election that we saw a legitimate vote of confidence in the bond market. Traders have been thinking and talking about catching the proverbial falling knife (i.e. they've been saying "enough is enough... time for a correction, at least for a little while") and today was the day they went for it. It looks like the 2.42% technical level **played a key role**. Once that levee broke, 2.34% came quickly.

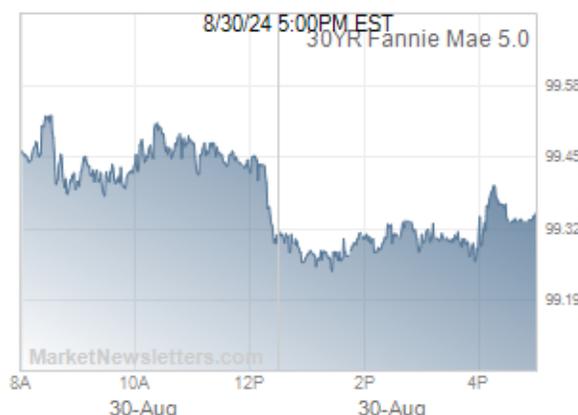
Subscribe to my newsletter online at:

<http://housingnewsletters.com/cliftonmortgage>

## MBS & Treasury Market Data

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

Pricing as of: 9/1 7:34PM EST



## Average Mortgage Rates

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

Rates as of: 8/30

