



Guy McAtee

Sr Loan Officer, American Financial Lending, Inc
 NMLS #154570
 20860 N Tatum Blvd #160 BK#0910057 Phoenix, AZ 85050

Office: 602-277-3800
 Mobile: 602-448-3464
 Fax: 602-631-9788
guy@aflending.com

A Message from Guy McAtee:

"For everyone waiting on mortgage rates to move, be careful what you wait for!"

MBS Recap: Decent Improvements, But Waiting on Bigger News

Today was a largely uneventful return from the extended weekend with bond markets doing very little to react to news or economic reports. Chicago PMI is hit and miss when it comes to moving markets, but certainly no stranger to the spotlight. At 48.7 versus a median forecast of 54.0, today's Chicago PMI was arguably weak enough that we **should have seen** a more noticeable response in bond markets. Instead, the morning's gains leveled-off just as the data was released. The rest of the day was spent drifting sideways to slightly stronger, resulting in a smattering of small, positive reprices.

What can we glean from the absence of response to the Chicago PMI data? Nothing earth-shattering, but perhaps this helps us put the rest of the week in perspective. First of all, today was "month-end"--a special deadline for certain traders who have to be holding a certain amount of various bonds in order to meet the requirements of the funds they manage. We can certainly assume that much of that month-end buying had already taken place by last week, but today's morning resilience suggests there were **a few more buyers** waiting in the wings.

The **more important conclusion** for the rest of the week is that there will be a high bar for economic data that would otherwise have an impact on trading levels. This means we could be waiting at least until Wednesday for something like ADP, but possibly even until Thursday's ECB Announcement or Friday's NFP before seeing a bigger move in rates.

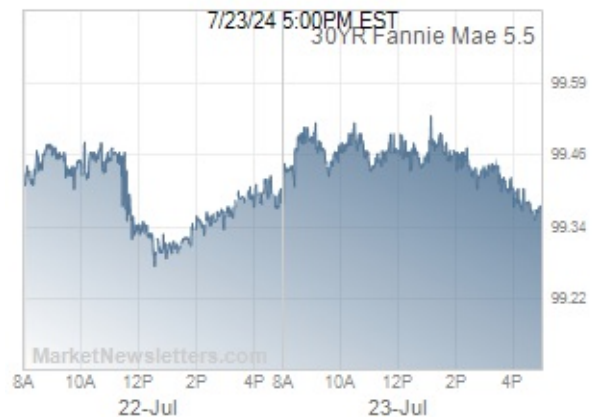
Finally, the **default warning** on a month-end day with a happy ending is this: there's always a risk that today's happy ending was made possible by the extra month-end buying. Such days are often good short term lock opportunities.

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MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.39	0.00
MBS GNMA 5.5	99.75	-0.03
10 YR Treasury	4.2515	-0.0010
30 YR Treasury	4.4851	+0.0126

Pricing as of: 7/23 5:59PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.87%	-0.02	0.00
15 Yr. Fixed	6.32%	-0.01	0.00
30 Yr. FHA	6.33%	0.00	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.59%	+0.01	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: 7/23

Experience, Responsive, Expertise

Whether you're buying, selling, refinancing, or building your dream home, you have a lot riding on your loan specialist. Since market conditions and mortgage programs change frequently, you need to make sure you're dealing with a top professional who is able to give you quick and accurate financial advice. I have the expertise and knowledge you need to explore the many financing options available.

Ensuring that you make the right choice for you and your family is my ultimate goal. And I am committed to providing my customers with mortgage services that exceed their expectations.

Guy McAtee

