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A Message from Guy McAtee:

"Just a quick note on what the FOMC said today! Share with your clients and business partners!"

UPDATE: Bonds Bounce Back After Decidedly Dovish Fed

Not only did the Fed forego raising rates (as was unanimously expected), they did so while subtly downgrading their assessment of most of the economy AND also while pointing out increased external risks.

Specifically:

1. The Fed changed from viewing economic activity as "expanding at a moderate pace" to "slowed late last year."
2. The Fed now says that fixed investment is "moderate" as opposed to "solid."
3. The Fed now says that inventory investment has slowed.
4. The Fed now says inflation compensation (market-based inflation metrics from TIPS trading levels) declined further as opposed to merely remaining low.
5. The Fed is now "closely monitoring global economic and financial developments." That's an entirely new thought.

The only saving grace for the Fed was their ability to point to improvement in labor markets and reduction in labor force slack. In short, the Fed is also worried about the big economic picture, but not enough--at the moment--to deter their intended policy path.

Bond markets quickly shot to the best levels of the day, but haven't moved through yesterday's range yet. Prices and yields are currently consolidating either with the intention of continuing the rally or leveling-off here. Both doors remain open for now.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.37	-0.02
MBS GNMA 5.5	99.74	-0.04
10 YR Treasury	4.2520	-0.0005
30 YR Treasury	4.4842	+0.0117

Pricing as of: 7/23 4:54PM EST

Average Mortgage Rates

	Rate	Change	Points
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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

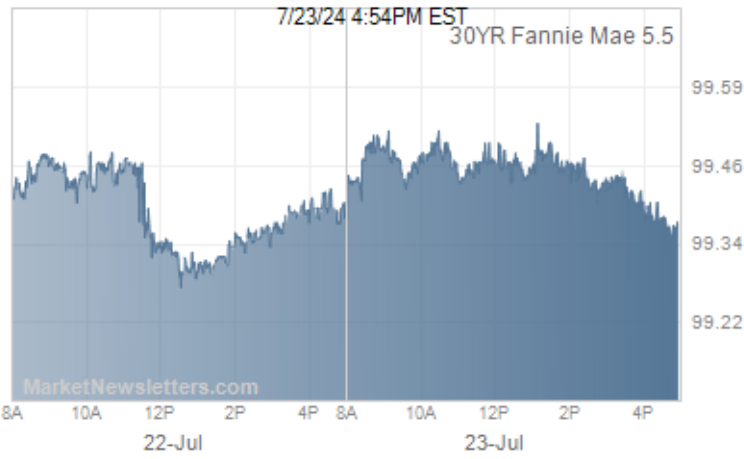
Freddie Mac

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



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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.

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