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## Wildest Week For Mortgage Rates, Ever (Seriously)

The headline makes a lofty claim, but let's put doubt to rest with 3 facts right up front.

1. Mortgage rates were at all time lows on Monday Morning for most lenders
2. By Friday, rates had risen as fast as they've ever risen in one week
3. By Friday, the gap between mortgages and Treasury yields was the widest on record.

When we have things happening in other markets such as all-time low 10yr Treasury yields (Monday) or the biggest-ever single day loss in stocks (several times, depending on the index), it's not hard to imagine that big things are happening elsewhere in financial markets.

What's causing all this? In a word: Coronavirus. The stock market reaction is well-documented, but the record rally in rates is just as impressive.

### National Average Mortgage Rates



	Rate	Change	Points
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#### Mortgage News Daily

30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00

#### Freddie Mac

30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00

Rates as of: 7/22

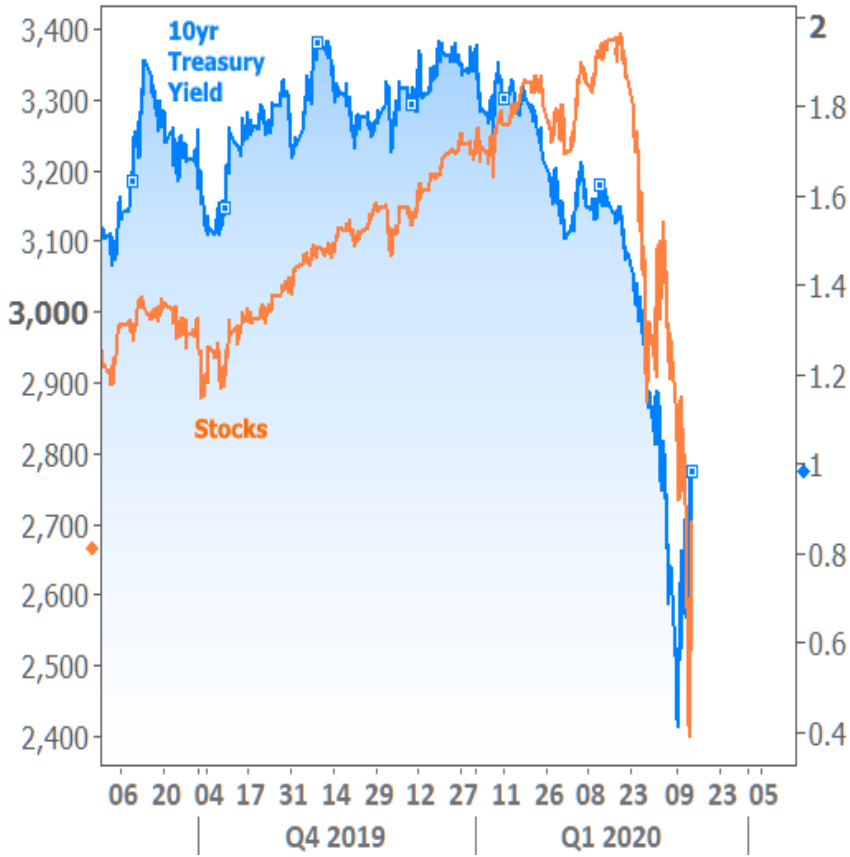
### Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.39	-0.01
MBS GNMA 5.5	99.78	+0.00
10 YR Treasury	4.2306	-0.0219
30 YR Treasury	4.4486	-0.0239

Pricing as of: 7/23 7:05AM EST

### Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%
Builder Confidence	Mar	51	+6.25%

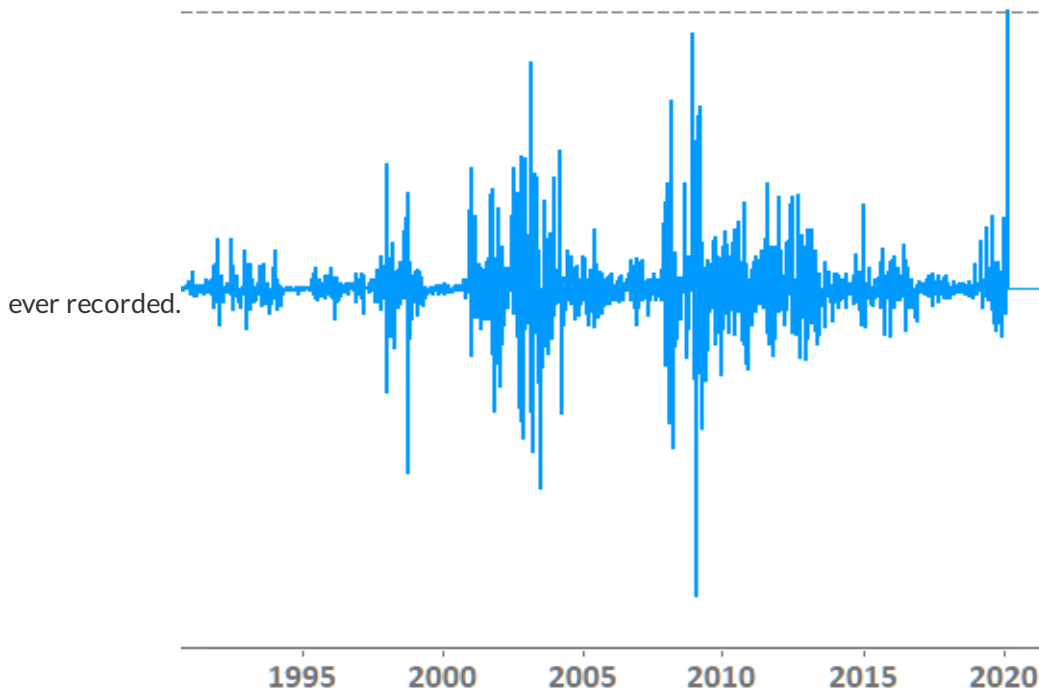


In the interest of keeping this short and sweet, here are the previous newsletters that have covered the unfolding market drama:

- [2020 Refi Boom Surpasses 2016's And It's Still Growing](#)
- [Why Can't Mortgage Rates Keep Up With Record Low Treasury Yields?](#)
- [Mortgage Market in Chaos. What You Need To Know](#)

While coronavirus dominated the headlines, massive drama was unfolding in the mortgage market. All-time low mortgage rates were already in place by March 2nd. Refinance demand was already spiking, but the subsequent jump was the biggest

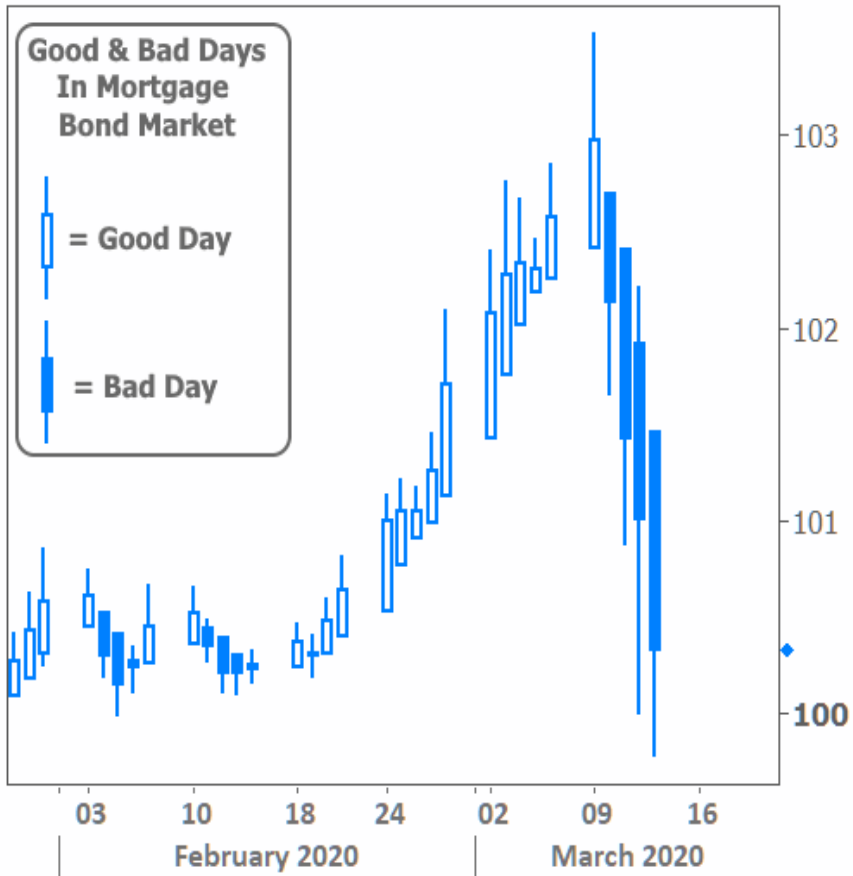
**week-over-week change in refinance mortgage apps**



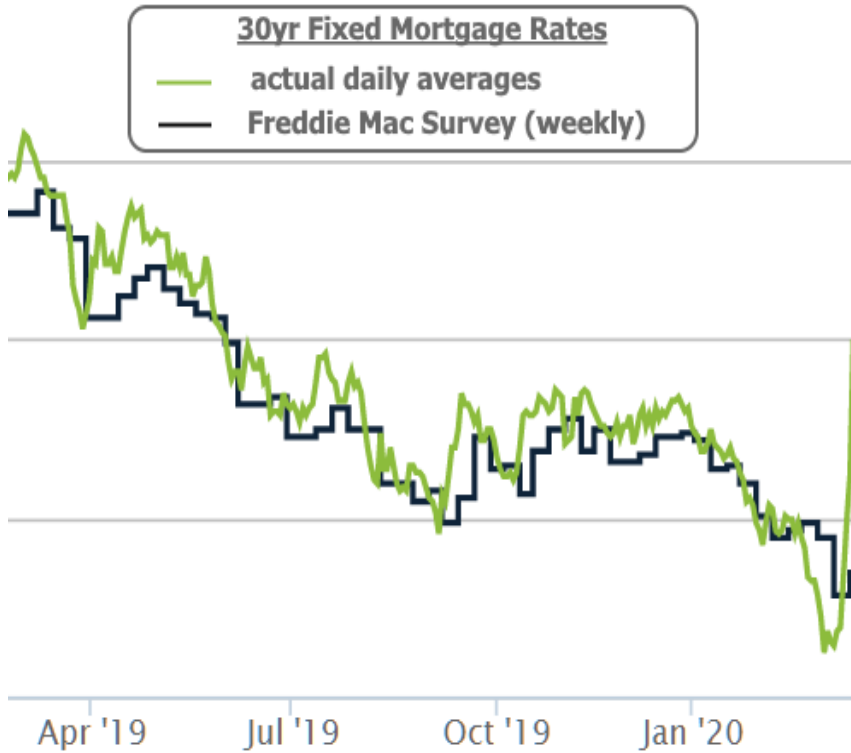
ever recorded.

In financial markets, unprecedented opportunity often comes with unprecedented consequences. In this case, the glut of refi demand was so overwhelming that mortgage lenders couldn't move loans off their books quick enough to keep up with demand for new loans. The demand could only be created by selling the loans to investors at lower and lower prices.

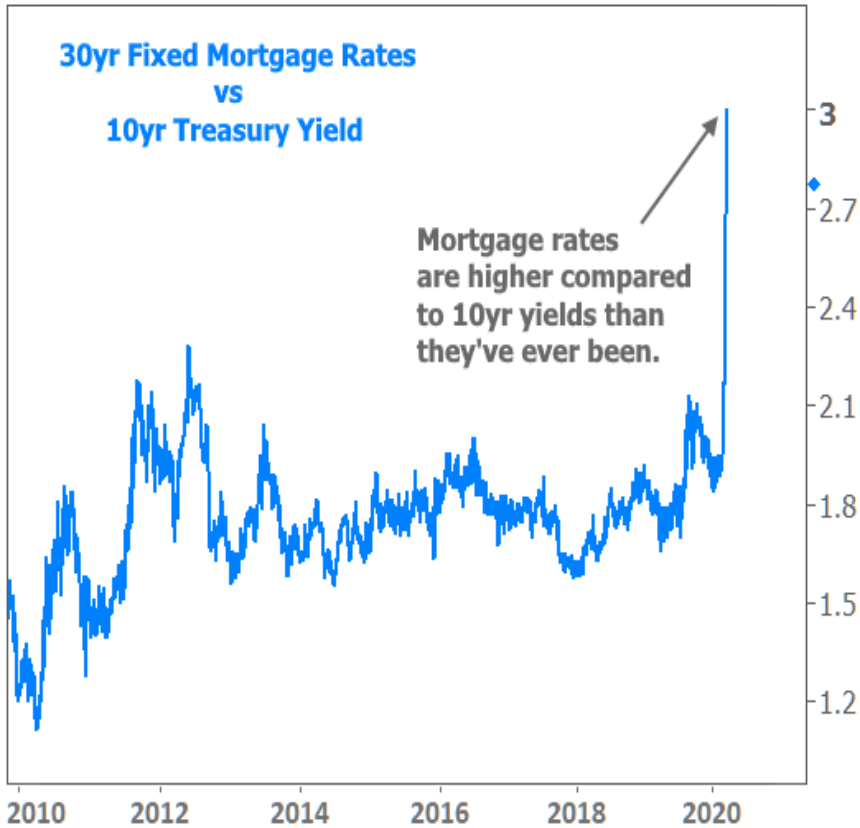
When investors pay less for mortgages, rates move higher. In the chart below, each candlestick represents 1 day of price movement in this market for loans sold to investors (mortgage-backed securities or MBS).







Traditional mortgage rate comparisons to 10yr Treasury yields have been thrown out the window by this unprecedented set of circumstances. The average mortgage rate is now higher compared to 10yr Treasury yields than it's EVER been, and by a wide margin at that!



The Federal Reserve is widely expected to cut rates again next week and possibly announce a new round of large-scale bond buying (quantitative easing or "QE"). But remember, a Fed rate cut **doesn't directly affect mortgage rates**. Fortunately, the mortgage bond market may have pushed prices low enough for investors to start nibbling on new loans instead of pushing them off the table.

Even so, a bounce back toward lower levels will take some time. Rates moved up and out of most peoples' target refi ranges this week. That makes this the **perfect time** to make a game-plan with your friendly neighborhood mortgage pro so all parties can be ready to rock (and LOCK) as soon as rates get into your target range.

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

## Recent Economic Data

Date	Event	Actual	Forecast	Prior
<b>Tuesday, Mar 10</b>				
1:00PM	3-Yr Note Auction (bl)	38		
<b>Wednesday, Mar 11</b>				
7:00AM	w/e MBA Purchase Index	280.7		265.8
7:00AM	w/e Mortgage Refinance Index	6418.9		3594.4
8:30AM	Feb Core CPI (Annual) (%)	2.4	2.3	2.3
<b>Thursday, Mar 12</b>				
8:30AM	Feb Core Producer Prices YY (%)	1.4	1.7	1.7
8:30AM	w/e Jobless Claims (k)	211	215	216
<b>Friday, Mar 13</b>				
8:30AM	Feb Import prices mm (%)	-0.5	-0.8	0.0
8:30AM	Feb Export prices mm (%)	-1.1	-0.4	0.7
10:00AM	Mar Consumer Sentiment	95.9	95.0	101.0
<b>Monday, Mar 16</b>				
8:30AM	Mar NY Fed Manufacturing	-21.5	4.00	12.90
<b>Tuesday, Mar 17</b>				
8:30AM	Feb Retail Sales (%)	-0.5	0.2	0.3
9:15AM	Feb Industrial Production (%)	0.6	0.4	-0.3
11:00AM	Mar NAHB housing market indx	72	73	74
<b>Wednesday, Mar 18</b>				
7:00AM	w/e MBA Purchase Index	278.1		280.7
7:00AM	w/e Mortgage Refinance Index	5751.0		6418.9
8:30AM	Feb House starts mm: change (%)	-1.5		-3.6
8:30AM	Feb Housing starts number mm (ml)	1.599	1.500	1.567
8:30AM	Feb Building permits: number (ml)	1.464	1.500	1.550
8:30AM	Feb Build permits: change mm (%)	-5.5		9.2
2:00PM	N/A FOMC rate decision (%)		0.875	0.125

## Event Importance:

No Stars = Insignificant

☆ Low

★ Moderate

★★ Important

★★★ Very Important

Date	Event	Actual	Forecast	Prior
<b>Thursday, Mar 19</b>				
8:30AM	Mar Philly Fed Business Index	-12.7	10.0	36.7
8:30AM	w/e Jobless Claims (k)	281	560	211
10:00AM	Feb Leading index chg mm (%)	+0.1	0.1	0.8
<b>Friday, Mar 20</b>				
10:00AM	Feb Existing home sales (ml)	5.77	5.50	5.46
<b>Tuesday, Apr 07</b>				
1:00PM	10-yr Note Auction (bl)	25		
<b>Wednesday, Apr 08</b>				
1:00PM	30-Yr Bond Auction (bl)	17		
<b>Thursday, May 21</b>				
1:00PM	10-yr Note Auction (bl)	12		

## 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.

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