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## MBS Recap: Corporate Bonds Interrupt Flat Afternoon

It was a **pretty simple day** as far as bond markets are concerned. The collective unconscious of the bond-trading population was perfectly content to extent the weekend, unofficially. For most of the day, it looked like a perfectly viable plan, considering a relative absence of movement in Treasuries and MBS. But plans were foiled in the late afternoon by **corporate bond issuance**.

Particularly, Shire off-loaded \$12.1 bln in 3, 5, 7, and 10yr notes. For perspective, anything over \$10bln would be considered a "heavy day" of **CUMULATIVE** corporate bond issuance (i.e. from multiple sellers). When it's coming from **just one deal**, the moral of the story is that it's a very big deal.

Only a few corporate deals per year go over \$10bln, so when one of them hits on a sleepy monday, bonds feel it. This was the **exclusive** and incontrovertible source of this afternoon's bond market weakness. Even then, it left 10yr yields a mere 1.3bps higher on the day and Fannie 3.0 MBS just over an eighth of a point lower. Both also remain well within last week's new, weaker range as they continue grinding toward this Wednesday's central bank announcements (Bank of Japan and the Fed).

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## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.09	-0.08
MBS GNMA 6.0	100.23	-0.10
10 YR Treasury	4.4385	+0.0405
30 YR Treasury	4.5957	+0.0317

Pricing as of: 7/1 8:54AM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.07%	+0.02	0.00
15 Yr. Fixed	6.45%	0.00	0.00
30 Yr. FHA	6.51%	+0.02	0.00
30 Yr. Jumbo	7.26%	0.00	0.00
5/1 ARM	7.02%	-0.01	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.02%	-0.05	0.65
15 Yr. Fixed	6.60%	-0.15	0.55
30 Yr. FHA	6.87%	0.00	0.92
30 Yr. Jumbo	7.18%	-0.03	0.54
5/1 ARM	6.45%	+0.08	0.81

Rates as of: 6/28

## Real Talk

At The Rate Shop, we're not your average mortgage banker. We specialize in bringing you ridiculously low interest rates that will make you wonder what the other guys are doing. In fact the ONLY objection we ever hear is "your rates sound too good to be true". Well they're not, and here is why...

After 15 years in the retail banking world I was frustrated with the high interest rates that came from that business model. As I looked around at all the bloated layers of management and their expensive salaries and the overhead of running a larger company (think rent costs, employee health and benefit costs, payroll taxes, and on and on) it dawned on me that I was a part of the problem, and the solution, for me at least, was so easy to see.

Start my own mortgage brokerage shop. No expensive executive salaries, no expensive building to pay rent at, no unnecessary employees and all the costs that are associated with that. What happens when you cut out all the fat? You can provide lower rates and lower closing costs. It's simple. Now here is the best part, you still get great service from a local Kansas City Lender. My mission is to let everyone know that low rates and great customer service are NOT mutually exclusive.

Thanks for coming along on this journey where Low Rates meet Great Service. The two do NOT have to be mutually exclusive. It's just a lie that the big box mortgage companies have been telling you for years. Don't believe me? Give me a call or shoot me a text on my personal cell phone today and compare my rates and costs up against any other lender in the country, and be prepared to be blown away.

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