



## Mike Baker

Head Interest Rate Shopper, The Rate Shop  
 Individual NMLS: 259076 Company NMLS: 2554765 State  
 23211 W 45th St Shawnee, KS 66226

Office: 913-213-3335  
 Mobile: 913-213-3335  
[mike@rateshopkc.com](mailto:mike@rateshopkc.com)  
[View My Website](#)

## The Day Ahead: Range-Trade Intact as Central Banks Approach

The approach to this week's big-ticket events has been very **straightforward** so far. This has been aided, no doubt, by the absence of other significant events in the immediate vicinity, as well as the fact that it's neither the end nor the beginning of the month. The middle of any given month--especially weeks without Treasury auctions or active economic data calendars--is about as neutral as it gets.

That **neutrality** is evident in the charts. Yields are in the midst of a logical, mechanical, low-volatility consolidation inside the range set by last Tuesday's nasty sell-off. If you're looking for **bigger-picture significance** associated with these levels, it's definitely there too. The mid-point of the current consolidation is roughly 1.70, which has been a MAJOR inflection point in the bigger picture.

## 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



Not to put too fine a point on it, but this is a **title bout for rates**. Anything over 170 and they give up the belt. To be clear, I'm not talking about small, short-term moves that happen to bring yields slightly higher than 1.70. I'm talking about the risk of a bigger mover higher, like those seen in early 2015 or early 2016.

On a **positive note**, a successful title defense (something that results in a move back below, say, 1.60) would be a huge victory-one that casts significant doubt on all the recent jawboning for a bond bubble among financial media, fund managers, and analysts.

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## 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.

**Mike Baker**

