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## UPDATE: Overseas Bond Rally and Lack of Corporate Supply Helping Treasuries

Japanese markets were closed yesterday for a national holiday. Japanese government bonds surged toward lower yields at today's open with 10yr yields making it back to early September lows (-0.06). German Bunds and US Treasuries **aren't quite there yet**, but they've begun moving in that direction, led by Bunds (which are back to -0.02).

Treasuries are obviously in a different world in terms of outright levels, but the direction of the movement is the same, with 10yr yields down 3.5bps so far this morning. **Fannie 3.0s** are making gains at a **slightly slower pace**, up 6 ticks at 103-16 (compared to PRICE gains of 10 ticks in Treasuries).

All of this is **much ado about nothing**, however, because the movement is inconsequential in the slightly bigger picture. Both sides of the market (stocks / bonds) clearly had a bit of a fit in response to the ECB announcement 2 weeks ago (with both losing ground in PRICE).

Since then, both sides of the market have been **correcting** in a consolidative, triangular way (Japanese bonds are already back). It's a classic case of consolidation ahead of key events, thus there's not much to do but wait for tomorrow's central bank announcements, **unless** the triangles are broken before then.

### MBS & Treasury Market Data

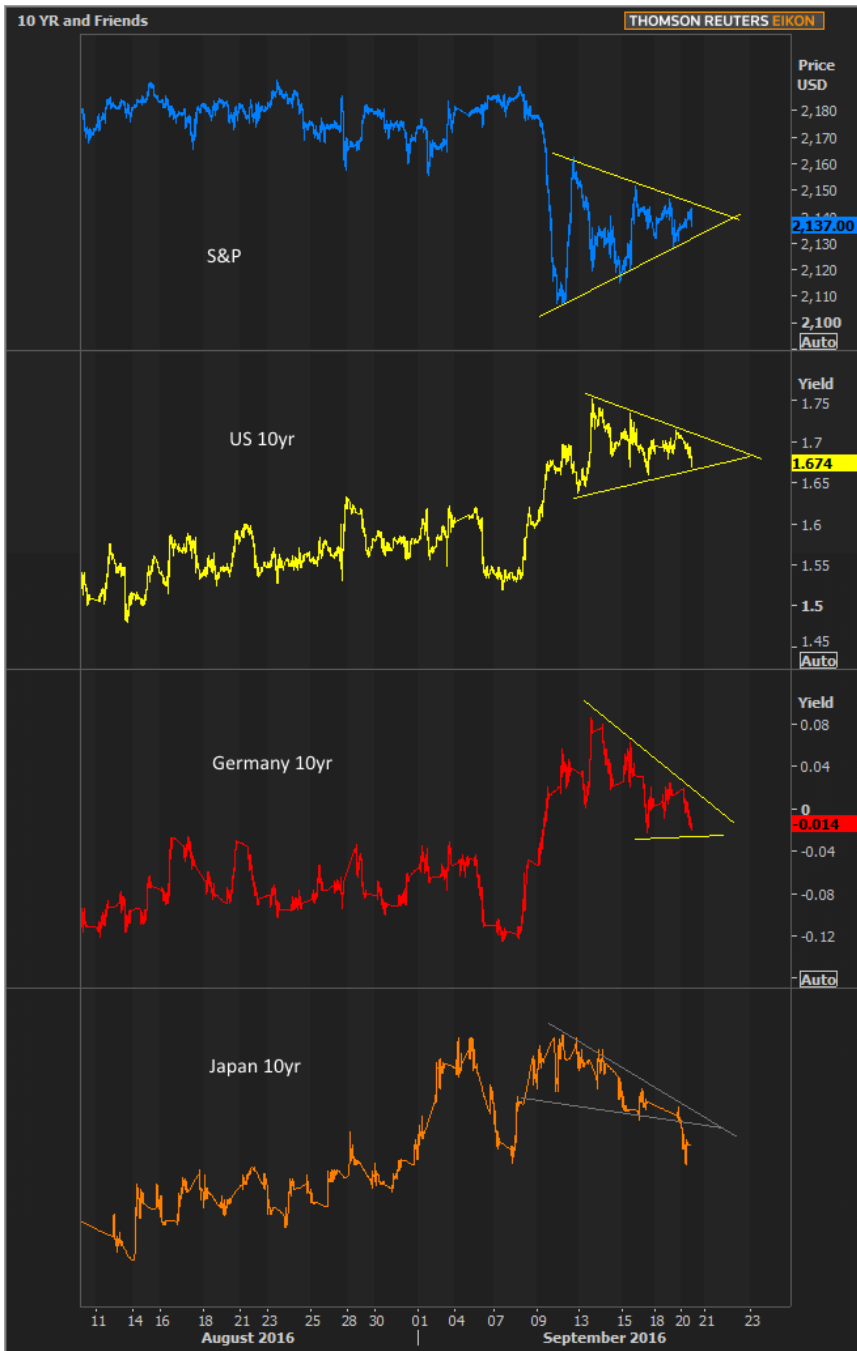
	Price / Yield	Change
MBS UMBS 6.0	100.11	-0.07
MBS GNMA 6.0	100.24	-0.09
10 YR Treasury	4.4395	+0.0415
30 YR Treasury	4.5981	+0.0341

Pricing as of: 7/18:50AM 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





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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.

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