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UPDATE: Bonds Indecisive After 10am Data (Not Necessarily Because of It)

Bonds continue trading in positive territory this morning, and weaker-than-expected Existing Home Sales data (5.33m vs 5.45m forecast) offers no immediate threat. But threats may be offered nonetheless.

The **two key considerations** for bonds at the moment are NYSE-related **tradelows** and European bond markets.

NYSE-related tradelows refer to the flood of trades that we've increasingly seen hitting bonds at 9:30am. Some of this is a simple factor of **increased liquidity** across all markets as a major exchange comes online for the day, but most of it has to do with NYSE-traded funds with bond market components.

In other words, if a bond ETF had overnight orders waiting to be filled, we would see a sudden surge in the direction implied by those orders at 9:30am. These trades were beneficial for bonds at first, but **ran out of momentum** just before the 10am data.

At the same time, European bond markets were putting in their low yields of the day. In general, European yields have been pulling US yields lower in the second half of the month, and the latter seem reluctant to make their own new lows without the guidance. At this point, I'm **looking for German Bunds to break back below** their lows (seen just after 9:30am) before getting my hopes up that Treasury yields can do the same.

(On a hopeful note, in the time it's taken to type this, German Bunds are already moving back toward those lows, and Treasuries are having second thoughts about bouncing higher for the day.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.13	-0.04
MBS GNMA 6.0	100.23	-0.11
10 YR Treasury	4.4390	+0.0410
30 YR Treasury	4.5966	+0.0326

Pricing as of: 7/1 8:52AM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
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
Freddie Mac			
30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00
Mortgage Bankers Assoc.			
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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