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## The Day Ahead: Potential Momentum Shift Requires Confirmation

- ADP data rescheduled for today
- ECB Press Conference on tap
- Not much else by way of data
- Slow trickle of gains makes for potential momentum shift
- But we'd need to make more gains after NFP tomorrow to confirm

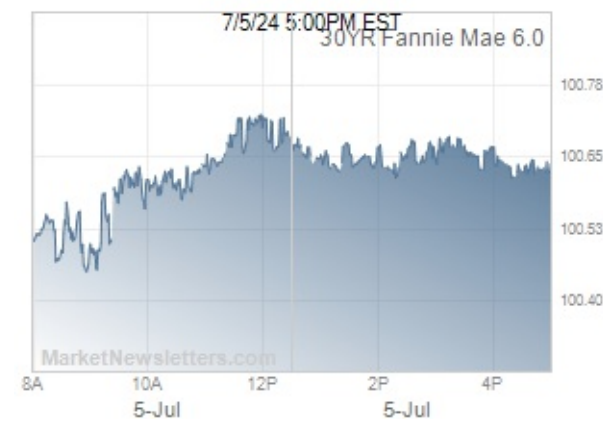
It's no mystery that we've been bouncing around the consolidative range seen in today's chart for most of 2016. Not only have we held inside that range, but the ebbs and flows have had a fairly linear cadence. The past 10 business days have **broken from that pattern**, however, with rates holding in a super narrow, super sideways range.

When that sort of 'sideways' momentum follows a move higher in rates, it tends to make the technical studies **signal a positive shift** in momentum. All they know is that rates had been moving higher, so the more they refuse to move higher, the better that is for momentum. This can be seen in the shorter-term 'Fast Stochastic' in the middle of the following chart, and if we can any more ground today, we could soon see it in the longer term 'slow stochastic' at the bottom of the chart.

## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	+0.22
MBS GNMA 6.0	100.74	+0.21
10 YR Treasury	4.3150	+0.0332
30 YR Treasury	4.5088	+0.0231

Pricing as of: 7/8 5:51AM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.03%	-0.05	0.00
15 Yr. Fixed	6.44%	-0.01	0.00
30 Yr. FHA	6.50%	-0.05	0.00
30 Yr. Jumbo	7.24%	-0.01	0.00
5/1 ARM	7.05%	-0.02	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.03%	+0.09	0.62
15 Yr. Fixed	6.56%	+0.09	0.54
30 Yr. FHA	6.90%	+0.11	0.95
30 Yr. Jumbo	7.11%	-0.01	0.50
5/1 ARM	6.38%	+0.11	0.54

Rates as of: 7/5



I read less into the technicals at times like this for a few reasons. The first is obvious. Quite simply, yields aren't doing much of anything. The second also may be obvious if you've seen an economic calendar and noticed that tomorrow is NFP Friday. NFP isn't the be all end all market mover of the past these days, but it could still easily help confirm or reject this recent momentum shift. Most **disconcertingly**, if it's strong enough, yields are still close enough to the upper end of their consolidative range to be pushed up and out.

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With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

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