



## Rich E. Blanchard

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## Big Jump in Mortgage Rates This Week

**Mortgage rates** moved higher from Wednesday through the end of the week. Thursday and Friday were especially abrupt as financial markets hurried to get in position for a potential US/China trade announcement. What does trade have to do with the mortgage market? Quite a lot actually!

Tariffs and general trade uncertainty have been some of the **biggest driving forces** behind 2019's huge drop in rates. Downbeat economic data and eroding business confidence led investors to put more money into safer havens like the bond market. When demand for bonds increases, bond prices move higher and bond yields (aka "rates") move lower.

The economic uncertainty also played a key role in forcing the Federal Reserve to shift its stance on rates early in the year. While the Fed **doesn't** control mortgage rates directly, when traders expect the Fed to be friendlier in the future, longer-term rates 10yr Treasuries and mortgages tend to benefit preemptively. This is really what drove the shift in rates earlier in the year while trade-related uncertainty has been helping more in recent months.

Connecting the dots, anything that happens to **push back** on trade-related uncertainty would logically be **bad** for rates. And that's exactly what the last 2 days of the week have been!

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## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	0.00

### Freddie Mac

30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00

### Mortgage Bankers Assoc.

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: 7/3

## MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.39	+0.19
MBS GNMA 6.0	100.53	+0.14
10 YR Treasury	4.3690	+0.0088
30 YR Treasury	4.5244	-0.0053

Pricing as of: 7/4 7:50PM EST

## Expert Advice | Exceptional Service | Flawless Execution

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.

**Rich E. Blanchard**

