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Mortgage Rates Hard-Hit by Trade Headlines

Mortgage rates jumped quickly higher today following a series of headlines/tweets regarding the probability of a US/China trade deal ahead of Sunday's tariff deadline. What does all that mean? Let's break it down.

The status of the US/China trade relationship is a big deal for financial markets, including the bond market that dictates interest rates like those for mortgages. The more robust and more certain a trade deal seems, the **worse** it is for rates in general.

This Sunday is a deadline for the implementation of a new round of tariffs. As such, risks are/were high that we would see some sort of announcement to cancel or lessen the tariff burden. As of this morning (and again this afternoon), it looks like that is indeed what is happening. At first, a Trump tweet about the likelihood of a deal set the bad ball in motion. It was followed by a WSJ article citing sources with apparently high levels of specificity as to the details (enough specificity to suggest something was very likely in the works). Now this afternoon, Administration sources confirmed that, saying a **deal is reached with China in principle** and is now only awaiting Trump's sign-off.

All of the above is adding up to the **worst day for rates** since China said the tariff roll-backs were agreed to in early November. Some borrowers will be seeing rates that are an eighth of a point (0.125%) higher compared to yesterday morning.

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National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
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	4.3602	-0.0724
30 YR Treasury	4.5297	-0.0761

Pricing as of: 7/3 5:59PM EST

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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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