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Worst 2 Days For Rates Since June

Mortgage rates continued higher at a reasonably abrupt pace today as last week's themes have been completely reversed. What themes are those?

Generally speaking, markets were undergoing a risk-aversion trade given the rising geopolitical tension surrounding North Korea and the economic uncertainty associated with back-to-back hurricanes.

Risk aversion tends to take the form of investors seeking safer haven assets like bonds at the expense of higher growth potential assets like stocks.

Indeed, stocks had stumbled sideways to slightly lower last week while bond prices rose (higher bond prices = lower rates). Now that dynamic is **reversing** with stocks breaking to new all-time highs while bond prices move lower (lower bond prices = higher rates).

In the bigger picture, the damage is still far from severe. The best 30yr fixed scenarios are **still under 4%** for many lenders. But the past 2 days have constituted the most abrupt move higher in rates since at least late June, 2017. In this environment, it makes more sense to remain defensive in terms of locking and floating--at least until we find the next solid ceiling for rates.

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National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
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

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: 7/5

MBS and 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	4.2818	-0.0784
30 YR Treasury	4.4857	-0.0440

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

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