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## Consolidation Setting Sights on Next Week

In case you're just joining us, there's a consolidation going on in the bond market. That means yields are trading in a progressively narrower range after making a relatively bigger move. It happened in grand fashion in the second half of 2019 and we're seeing a smaller scale example so far in 2020.

The "relatively bigger move" in question January's drop in rates, precipitated by the ramping-up of coronavirus fears. In many significant ways, coronavirus continues keeping a lid on yields, even though traders are also considering things like Fed policy, the 2020 presidential election, and economic data.

Econ data would be a lot more significant if it weren't for coronavirus. Reason being: the current crop of reports must now be taken with a grain of salt because the full impact of coronavirus has yet to work its way through to the data. In the meantime, we have warnings from the likes of Apple, among others, about lower sales as a result of the outbreak.

If the bond market knows the hit to global economic data is coming, it doesn't make much sense to stampede back toward higher yields until we see how big the hit turns out to be. As you might imagine, this won't be resolved by the end of this week. Indeed, it will probably be months before the picture becomes clear.

In the meantime, general range-trading vibes will be the order of the day unless acted upon by some unexpected development or a definitive change in the presidential race. "The range" as I see it is likely a bit bigger than the average originator would want to see.

Whereas we're currently in the process of defending a 1.575% ceiling in 10yr yields (and the prevailing downtrend seen in the chart below as a teal line), those lines shouldn't be assumed to have much staying power. 1.67% is a better overhead target in the coming weeks. That's not to say we're definitely moving in that direction. Rather, that's the far side of the current playing field. In any event, we won't see it today or tomorrow. As such, this consolidation won't even have a chance to morph into something else until next week at the earliest.

## MBS & 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



## 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
<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: 7/3



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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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