



## Stephen Moye

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Under the California Residential Mortgage Lending Act  
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### A Message from Stephen Moye:

"At some point people will buy bonds again, right? Of course rates are still no higher than when we have the "taper tantrum of 2014""

## ALERT: Bonds Weaker After NFP, But Not Because of It

- NFP 200k vs 180k forecast
- Unemployment rate unchanged at 4.1
- Participation rate unchanged at 62.7
- wages as expected at +0.3
- avg workweek drops to 34.3 vs 34.5 previous/forecast

This one's a bit tricky to understand because at face value, these numbers, in and of themselves, in no way justify the amount of weakness we're seeing. This has everything to do with the third paragraph of the Day Ahead ([read it here](#)).

Bottom line, the post-NFP time frame is a window of opportunity for traders to work their strategies. It also means that the trading normally seen at the 8:20am CME open is on hold for another 10 minutes and then arrives in a glut after 8:30am. Without NFP today, we could assume there would have been moderate to aggressive selling at 8:20am.

These sellers were lined up with trades ready to push yields higher, provided NFP didn't surprise to the downside in a big way. There's no way to know this was the case without the benefit of hindsight, except inasmuch as our default stance has been "negative trend intact until proven otherwise."

10yr yields are quickly up to 2.835 and Fannie 3.5 MBS are down more than a quarter point.

### MBS & Treasury Market Data

|                | Price / Yield | Change  |
|----------------|---------------|---------|
| MBS UMBS 5.0   | 99.37         | +0.02   |
| MBS GNMA 5.0   | 99.93         | +0.02   |
| 10 YR Treasury | 3.9068        | +0.0029 |
| 30 YR Treasury | 4.1960        | +0.0028 |

Pricing as of: 9/1 7:34PM EST

### Average Mortgage Rates

|  | Rate | Change | Points |
|--|------|--------|--------|
|--|------|--------|--------|

#### Mortgage News Daily

|              |       |       |      |
|--------------|-------|-------|------|
| 30 Yr. Fixed | 6.43% | +0.02 | 0.00 |
| 15 Yr. Fixed | 5.95% | 0.00  | 0.00 |
| 30 Yr. FHA   | 5.82% | +0.02 | 0.00 |
| 30 Yr. Jumbo | 6.62% | 0.00  | 0.00 |
| 5/1 ARM      | 6.28% | -0.01 | 0.00 |

#### Freddie Mac

|              |       |       |      |
|--------------|-------|-------|------|
| 30 Yr. Fixed | 6.35% | -0.51 | 0.00 |
| 15 Yr. Fixed | 5.51% | -0.65 | 0.00 |

#### Mortgage Bankers Assoc.

|              |       |       |      |
|--------------|-------|-------|------|
| 30 Yr. Fixed | 6.44% | -0.06 | 0.54 |
| 15 Yr. Fixed | 5.88% | -0.16 | 0.68 |
| 30 Yr. FHA   | 6.36% | -0.06 | 0.85 |
| 30 Yr. Jumbo | 6.75% | +0.07 | 0.39 |
| 5/1 ARM      | 5.98% | -0.27 | 0.65 |

Rates as of: 8/30



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