



Stephen Moye

Sales Manager/Senior Loan Officer NMLS:
268619/CA-DBO268619, New American Funding Corporation. NMLS: 6606, Equal Housing Lender Licensed by the Department of Business Oversight Under the California Residential Mortgage Lending Act CA-DBO268619 Corp. NMLS: 67180 Equal Housing Lender 1615 Murray Canyon Road #1050 San Diego, CA 92108

Office: 619-309-1678
Mobile: 619-895-8128
Fax: (619) 793-1026
stephen.moye@nafinc.com
[View My Website](#)

The Day Ahead: Apart From Speculation, All We Have Are These Technical Levels

On a week where the calendar of events had every right to push bond yields more decisively away from their most important recent technical level (2.795% in 10yr yields), we've instead seen a narrow consolidation centered on that same indecisive technical level. There are a few moving parts to consider when attempting to anticipate the next move, but ultimately, the way yields move with respect to established technical levels will be our best source of guidance until the next big trend in 2018 makes itself clear.

What do I mean by "moving parts?"

1. We have to ask ourselves how much bonds have done to "price-in" various headwinds. These include the Fed's rate hike path, the increase in Treasury issuance to pay for fiscal policies, and any remaining acceleration in growth/inflation.
2. We have to wonder how much the stock market has priced-in its "second wind." By that, I mean the pop higher beginning in late 2016, just when it looked like a long bull market might finally be leveling off. That "pop" was ostensibly the pricing-in of whatever fiscal policies would come from the GOP controlling both chambers of Congress and the hot seat. The first part of the rally says "we're not totally sure what they'll come up with." The second part of the rally (and the sell-off in bonds) says "oh, I guess they're doing tax cuts and paying for it with Treasury issuance."

What do I mean by "the way yields move with respect to technicals?"

Simply put, a "technical level" is any price, yield, or trendline that has proven to be more relevant than other prices, yields, or trendlines. "Important," in this context, typically means that the price/yield is more likely to bounce when encountering the technical level, but it can also mean the technical level is serving as a central point of gravity, around which the price/yield is orbiting.

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

2.795% is important for both of those reasons at the moment. It had been a firm floor, then a firm ceiling, and now a central point of gravity. The other horizontal levels on the chart give us lines in the sand to assess the next move away from 2.795. The white lines show the dominant trend of the past few months. If yields break above the upper white line, it would call the trend into question. If yields break through the yellow dotted line, it would suggest the white-line trend can continue.

	Rate	Change	Points
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30



Subscribe to my newsletter online at: <http://housingnewsletters.com/stephenmoye>

thanks for visiting this site

thank you for coming to website. Having been a loan officer for 20+year...I know first hand how important it is to stay on top of the news and event that effect mortgage rates, regulation, and program guidelines. Let this web site be a resource for you.

New American Funding CA-DBO268619 Corp. NMLS: 6606

Equal Housing Lender

Licensed by the Department of Business Oversight Under the California Residential Mortgage Lending Act

Stephen Moye

