



## 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](mailto:stephen.moye@nafinc.com)  
[View My Website](#)

## The Day Ahead: New Tariff Announcement Keeps Bonds In Recent Range

The first two days of the week were largely spent lamenting the slow and inconsequential nature of summertime trading in the bonds market. At least that's how I spent them.

Superstitious market watchers would quickly point out that such lamentations invite unexpected volatility. While I wouldn't go so far as to use either of those words ("unexpected" or "volatility"), there is definitely **more going on** today compared to the past 2 days.

Looking at the candlestick chart on MBS Live (or anywhere else, for that matter) it would be easy to get the **wrong idea** about the increased activity. Today's candle looks quite a bit tamer than the previous 2 days.



## 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
<b>Mortgage News Daily</b>			
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
<b>Freddie Mac</b>			
30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00
<b>Mortgage Bankers Assoc.</b>			
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

That visual suggestion belies reality though. Volumes as of 9:30am are already right in line with Monday's at the close of business. The other issue is that most of the size of yesterday's candlestick is attributable to events that technically belong to today's trading session. It's just that they happened during the evening hours in the US. Through the miracles of modern computing, I'm able to show you what the candlestick chart would look like if it were based on **Tokyo** trading hours (because that's where the trading day begins for Treasuries).

	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



Granted, that's not an "OH WOW!" chart, but there's definitely a difference. Namely, whereas yesterday looked like a halfhearted attempt to stage for a breakout of the recent range, today acts as a **clear reaffirmation** of that range. It's actually easier to see on a plain old line chart. And if we're taking the trouble to look at that, then we might as well add stocks and might as well highlight the day's key event.



Long story short, Trump announced another round of tariffs last night. This time it's \$200bln instead of \$34bln. These wouldn't be implemented for months, and won't necessarily be implemented at all, but recent history suggests the administrations trade policies are **more than mere idle threats**. China is already scrambling to respond--an interesting endeavor considering they can't match the scope of the move with retaliatory tariffs (they don't import enough from us to do so).

This is why I say the announcement **isn't necessarily surprising**. Pundits pointed out the trade disparity early on in this process and said it was a natural endgame for Trump to force China to go all-in before the U.S. bargaining position would be maximized. Markets are reacting to the possibility of future fallout from the trade policies while still having to account for present economic realities and the chance that these tariffs don't ultimately happen as they were announced yesterday night.

All of the above is enough to keep bonds in their recent range despite stronger inflation data this morning. It also means we're **right** back to watching the same old ceiling/floor levels at 2.885 and 2.825% respectively. Incidentally, 2.825% is EXACTLY where yields bounced at their best levels last night.

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**

