



Stephen Moyer

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

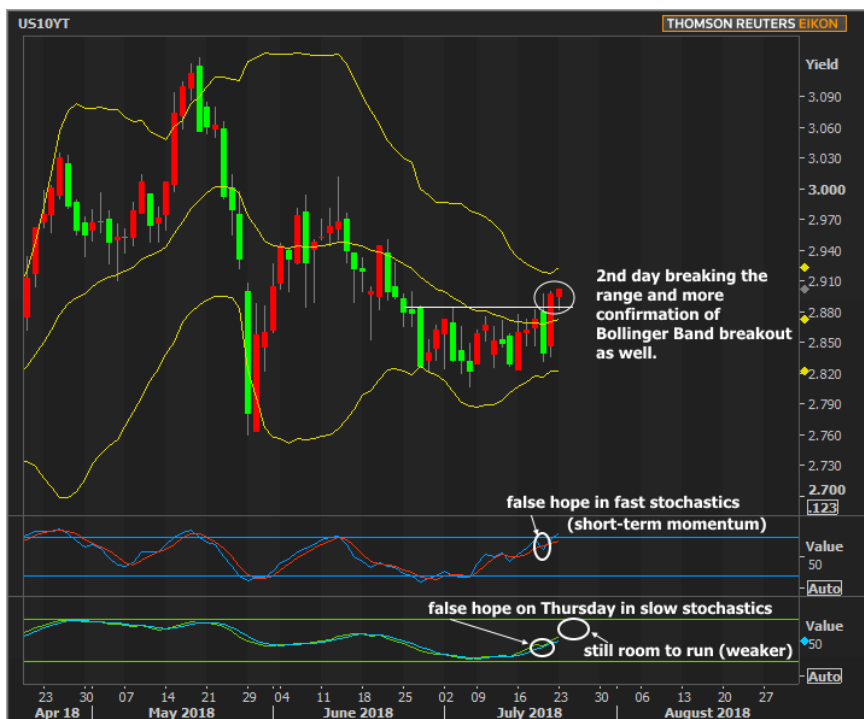
Under the California Residential Mortgage Lending Act
CA-DBO268619 Corp. NMLS: 67180 Equal Housing Lender
1615 Murray Canyon Road #1050 San Diego, CA 92108

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

The Day Ahead: Bonds On The Run?

Not to be confused with a band on the run, bonds find themselves in something of a similar predicament to the namesake of McCartney's post-Beatles single. Specifically, both bonds and the band had been **locked inside** confined quarters, both had **broken out**, and both are **"in trouble."** In the song version, the band escapes into the night, never to be found. The market version is still playing out.

The "confined quarters" in question would be the recent prevailing range in 10yr yields (2.825-2.885%), which had been intact since 6/27. Last Thursday saw a quick test of that ceiling followed by a decent rally that reinforced the range. Friday cast some doubt again as yields rose back above the 2.885% ceiling, leaving the final verdict for **today's trading**. The week begins with that verdict looking not so good.



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

As the chart suggests, most of our baseline technicals are giving negative signals. The middle yellow line (Bollinger Bands or simply a 21-day exponential moving average) is now more convincingly broken. Fast stochastics notched higher toward their upper 'oversold' line (but notably, haven't become so oversold as to imply **value buying** in bonds), and slow stochastics rejoined their previously negative trend with plenty of room to run (toward higher yields).

	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

Whether or not we indeed see a run to higher yields remains to be seen. At the very least, the technicals suggest that's a possibility for the remainder of the week. If it happens, it's **not a given** that it would be due to economic data and events as this week's calendar is fairly light until Thursday when we get an announcement from the European Central Bank (ECB) and June's Durable Goods data. Friday morning brings the first release of Q2 GDP, which is expected to come in just over 4%.

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

