

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: Resistance Mounting as Bonds Hold Same Old Range

Late June through late July saw 10yr yields trade in the 'same old range' with lows centered on 2.81 and highs on 2.89. That range was broken at the end of July but has since come back into fashion thanks to emerging market uncertainty, a slight softening from the Fed, and trade war risks.

Until this week, it looked like bonds may have tried to challenge the lower end of that range. Now, as the second day of weakness already looks to be well underway, we're **at more risk** of breaking the ceiling than the floor.

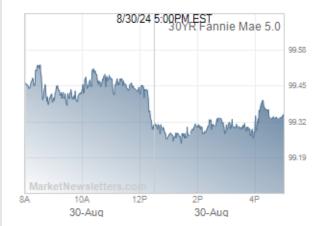
Progress on trade and all-time high stocks are arguably behind yesterday's bounce. This morning, a small group of headlines (another snippet about trade with Canada and a new story about a potential **German bailout of Turkey**) is adding to the weakness.

Unfortunately for technicians (those who watch certain levels in bonds more than others based on mathematical models and past precedent), this not only reinforces a bounce at the lower end of the 'same old range,' but it also occurs just in time to give other negative technical cues. The cues in question are various momentum overlays such as the popular fast and slow stochastic oscillators seen at the bottom of the following chart (shorter and longer-term momentum respectively).

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: 9/17:34PM EST



Average Mortgage Rates

Points				
0.00				
0.00				
0.00				
0.00				
0.00				
0.00				
0.00				
Mortgage Bankers Assoc.				
0.54				
0.68				
0.85				

© 2024 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.



	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			

The bounce in yields themselves is plain to see. From there, short term momentum is nearly as obvious with the past 2 days creating the first move up from the lower 'overbought' line since July. Short-term momentum is flighty though. It's **more sinister** when accompanied by a similar bounce in longer-term momentum. In the current case, it looks like that's a distinct possibility.

If that all feels depressing, there's a saving grace. Summertime trading conditions will persist at least through this week, and that means all of this movement could easily prove to have been an **intermission** or sideshow with real trading expected to pick back up as September gets underway. That's not to say summertime trading isn't 'real'--simply that it doesn't necessarily convey a healthy/normal balance of buyers and sellers. Oftentimes, when that balance is restored, things change.

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

