



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: Probably One More Day of Waiting For Any Election Impact

Justified or not, midterm elections are the market mover du jour. Midterm elections happen today, so it's fair to wonder if they will be a market mover today. They probably won't be!

First, let me say that I've been wrong before when it comes to the finer points of the timing surrounding political developments (indeed, please feel free to write in if you have another understanding about what I'm about to say). But my understanding is that the first polls close at **6pm ET**, which is, of course, an hour after the last bond trades of today's session.

That means that we're more likely to see any impact from elections in overnight trading. The caveat would be that old chestnut about "x% of precincts reporting." You know how those news stations do that, right? In other words, some of the races--perhaps some of the toss-ups that could inform the battle for control of the house--could be **leaning far enough** in one direction before the market closes for news stations to make their calls. In that sense, there's still some chance of an election effect today, with the late afternoon being the the riskiest time.

Before we get too far ahead of ourselves, we should remember that there's not widespread agreement on the fact that there will be a specific market reaction based on a specific election outcome. It's just one of those things where market participants know that this is the next big shoe to drop, and that other market participants may be making certain trades in response. Thus, everyone feels the need to be prepared to respond. Personally, I've argued that democratic control of the house is a **net-positive for bonds/rates**, but it's politics! There could be 17 other factors I didn't consider (because I refuse to immerse myself in politics enough to understand what those 17 factors might be!).

In any event, we have no better guess to explain the 2 flat days in a row following NFP (as seen on the following chart). **I probably don't need to remind you** that those early October highs were also 7-year highs. Thus, any negative reaction to anything in the next few days threatens a re-test of that unpleasant ceiling. Stay frosty.

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



	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

