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A Message from Stephen Moye:

"the 10 year bond has drifted to 2.63...I'll have more in my weekly newsletter at the end of today on why this might matter"

The Day Ahead: At Risk of Moving The Goalposts

Whereas "moving the goalposts" has a negative connotation in general (referring to the changing of the rules in the middle of the game), it's a fairly common theme in the realm of technical analysis. That seems **horribly counterintuitive** at first glance because technical analysis is all about using objective data to draw conclusions that would otherwise rely on interpretation and opinion. That may be true for some technicians, but they would be so unsuccessful at their craft that you likely wouldn't hear much from them.

Trading momentum doesn't operate on rules that can be quantified in a repeatable way. Even technicians have to be able to adapt and make minor course corrections. I would argue that making such corrections doesn't necessarily mean one is moving the goalposts as long as logical case can be made. The best way to make such a case is to lay it out as an expectation ahead of time (i.e. "here are the goalposts, but they'll **probably need to be moved** before the game is over").

For instance, I have mentioned several times in the past 2 weeks and will say again today that we'll likely have to move the goalposts for the consolidation range in bonds that's been intact for more than a month now. I haven't used those exact words, but I have talked about the slope of the consolidation lines (yellow lines below) being too sharp to fit the narrative of a big decision time for bonds in March, and as such, we'd likely need to move out to wider levels as we track the sideways momentum. The **most obvious candidates** for "wider levels" are the recent long-term low at 2.55 and the well-established pivot point overhead at 2.82% in 10yr yields.

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

Of course all of the above assumes that the notion of sideways momentum heading into March is the only option. Naturally, that's silly. It is simply the current operating hypothesis, and it can be disproved like any other. The point is that there's a more compelling case to reject that hypothesis when/if yields break below 2.55% as opposed to the arbitrary yellow line I've placed on the chart. The yellow lines offer another way to assess market movement that's occurring **inside** the broader trend. They're like a single point in a single game in a single season. Such a point happens to be particularly exciting for fans of low rates at the moment because we simply haven't scored many in the past 2 years. It suggests the momentum of this game may be shifting in our favor.

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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

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