



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: Brexit News Behind The Scenes; US Econ Data in Front

Just as yesterday's domestic trading hours ended, British Prime Minister Theresa May met with EU leaders to try to tweak the Brexit proposal enough to gain the support of hardliners in the UK who would prefer to cut all ties over compromise. That said, a deal with some compromise is thought to be passable in British parliament, assuming it addresses hardliner's concerns over the border situation between Ireland and Northern Ireland. A hypothetical agreement that avoids a hard border between EU member Ireland and UK constituent Northern Ireland is referred to as "the Irish backstop."

(Yes, this stuff is fairly **confusing**, and the above is a bit of simplification.)

At the start of the overnight session, it looked as though enough progress was made on the backstop to reinvigorate prospects of a passable Brexit deal. This led UK currency and bond yields **higher** with German and US bond yields following. Bottom line here is that a **passable Brexit deal is positive development for risk-taking in markets (read: higher rates)**. It decreases uncertainty and potentially preserves more economic growth than alternatives.

In the early morning hours, the counterpoints began to fly. **Most notably**, Britain's attorney general said that the newly negotiated changes failed to address the legal risk surrounding the backstop. This prompted a bond market rally and selling spree in British currency. In short, a Brexit deal waxed early and waned late in the overnight session.

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

Granted, US bond markets didn't follow these developments in lock step, but it's worth keeping in mind that no one figured Brexit would be completely solved or completely shot down in one night. The willingness to respond to Brexit-related developments on the part of US bond markets is a **clear and important** piece of the momentum narrative going forward. It may not be the most meaningful market mover, but whenever big changes are afoot, it is almost guaranteed to play a supporting role.

As the domestic session got underway, other market movers were vetted. In today's case, it was slightly weaker CPI data. The positive reaction in bonds confirms that at least a few investors have been at least a little bit concerned about some inflation cues over the past month. The movement following CPI compared to the movement seen on the Brexit headlines gives us a **good sense** of the relative importance US bonds assign to each.

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

