Mortgage Market Update



Ted Rood

Mortgage Banker, Homesite Mortgage LLC NMLS #543290 2299 Technology Drive, Suite 2A5 O Fallon, Missouri Office: 3147400004 Mobile: 314-740-0004 ted_rood@yahoo.com

UPDATE: No, It's Not Industrial Production Data Behind The Bond Surge

- NY Fed Manufacturing
 - 3.7 vs 10.0 forecast
 - Lowest since May 2017
- Industrial Production
 - 0.1 vs 0.4 forecast

Bonds are **rallying impressively**, with 10yr yields down more than 4bps and Fannie 3.5 MBS up to 100-20 (100.625). If you weren't looking closely enough, it would be easy to mistake the strength for a reaction to weaker economic data, with the most recent leg seemingly in response to Industrial Production.

For example, this newswire came out at 9:16:47am ET, roughly a minute and a half after the data:

U.S. TREASURY YIELDS SLIP AFTER U.S. INDUSTRIAL OUTPUT DATA

But as you've likely surmised based on the title of this update, **this isn't driving the rally**. You don't have to take my word for it either. Just look at this handy tick-by-tick chart of 10yr Treasury trades.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.09	+0.31
MBS GNMA 6.0	101.03	+0.29
10 YR Treasury	4.5138	-0.0657
30 YR Treasury Pricing as of: 5/3 5:04PM EST	4.6711	-0.0579

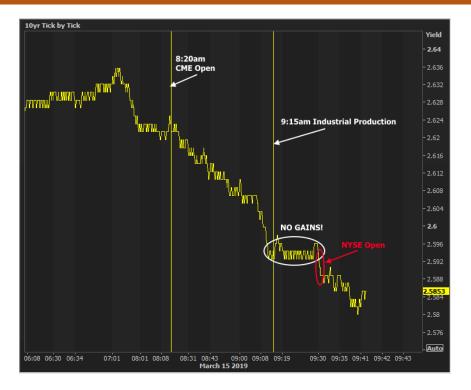
Average Mortgage Rates

•			
	Rate	Change	Points
Mortgage News	Daily		
30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	0.00
Freddie Mac			
30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	0.00
Mortgage Banke	rs Assoc.		
30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87
Rates as of: 5/3			

© 2024 MBS Live, LLC. - This mortgage market update is a service of MarketNewsletters.com and MBS Live.

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.

Mortgage Market Update



Not only can we see a **strikingly sideways** move after 9:15 (seriously... who wrote that newswire? be careful what you read), but other themes start to emerge as well. As far as the domestic session is concerned, the rally began right after the 8:20am CME open. After that, the 9:30am NYSE open also saw a shift toward lower yields.

These moves that happen right at various opening bells suggest the rally is mostly a product of position-taking ahead of next week's Fed Announcement, or perhaps to hedge against geopolitical surprises over the weekend. When we **don't** have a clear connection between data/news and market movement, it's all a "best guess" anyway. That esoteric and serendipitous "tradeflow" stuff is **all that's left** after a process of elimination.



Subscribe to my newsletter online at: http://mortgageratesupdate.com/tedrood

© 2024 MBS Live, LLC. - This mortgage market update is a service of <u>MarketNewsletters.com</u> and <u>MBS Live</u>.

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.

Read or subscribe to my newsletter online at: <u>http://mortgageratesupdate.com/tedrood</u>

Responsive service, experienced expertise

I've dedicated my 22 year mortgage career to client education, superior service, and honest answers. The lending landscape has changed dramatically the past few years, and continues to do so. My job is to ensure client partners' loans close quickly, without surprises, and I take that responsibility very seriously. Referrals are a responsibility I appreciate; they're a measure of trust, and that trust must be earned every day, on every referral.



 $\label{eq:solution} @\ 2024\,\text{MBS Live, LLC.-This mortgage market update is a service of } \underline{MarketNewsletters.com} \ \text{and} \ \underline{\text{MBS Live}}.$

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.