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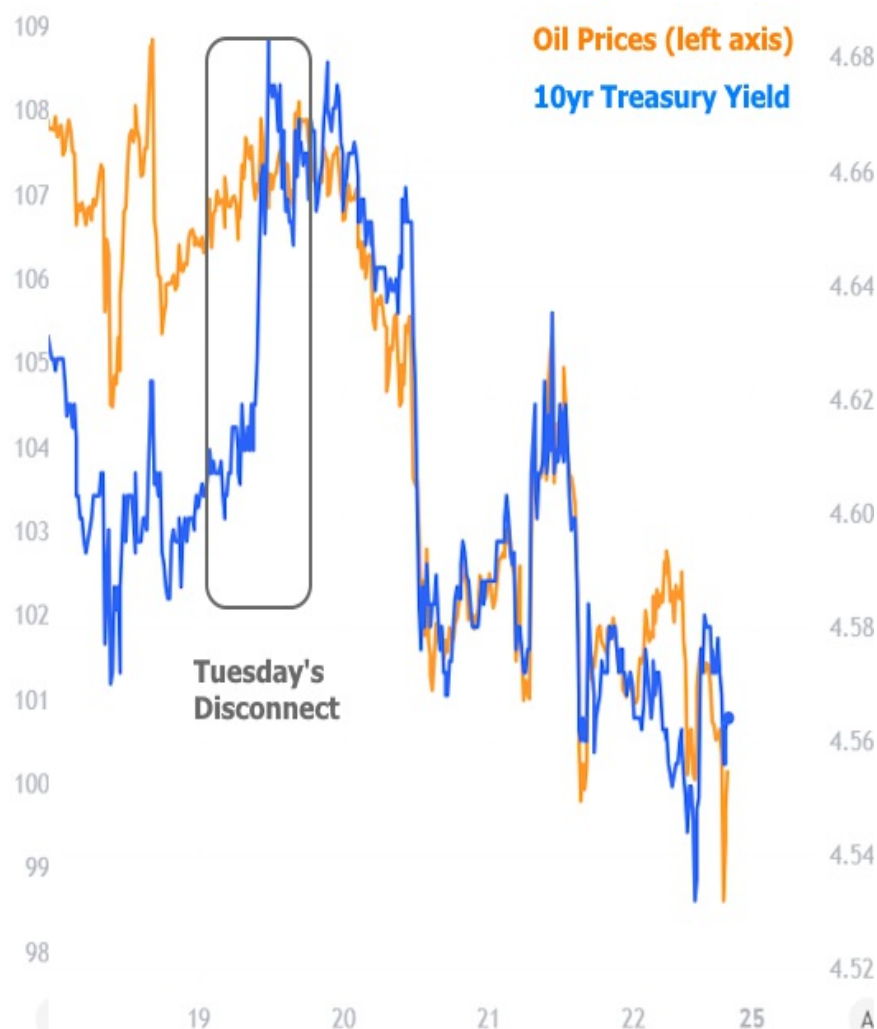
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Rates Recover From 9-Month Highs Amid War-Related Volatility

This week ended up being the most volatile for interest rates since late March. By Tuesday, the average mortgage lender was at the highest level in more than 9 months. But ultimately, Friday's rates ended up the same as last Friday's.

For the most part, the news cycle continues to be dominated by war-related headlines. Almost all of this week's back-and-forth in financial markets can be lined up with war news. Tuesday's rate spike was a notable exception. Volume data suggested that at least one very large holder of U.S. Treasuries was doing some very heavy selling.



National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30YR Fixed	7.35%	+0.02	0.00
15YR Fixed	7.00%	-0.01	0.00
30YR FHA	6.99%	+0.01	0.00
30YR Jumbo	7.60%	0.00	0.00
7/6 SOFR	6.86%	+0.01	0.00
30YR VA	7.00%	+0.01	0.00

Rates as of: 10/28

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.61	+0.02
10 YR Treasury	5.0000	-0.0165
30 YR Treasury	5.3291	-0.0162

Pricing as of: 10/29 9:17AM EST

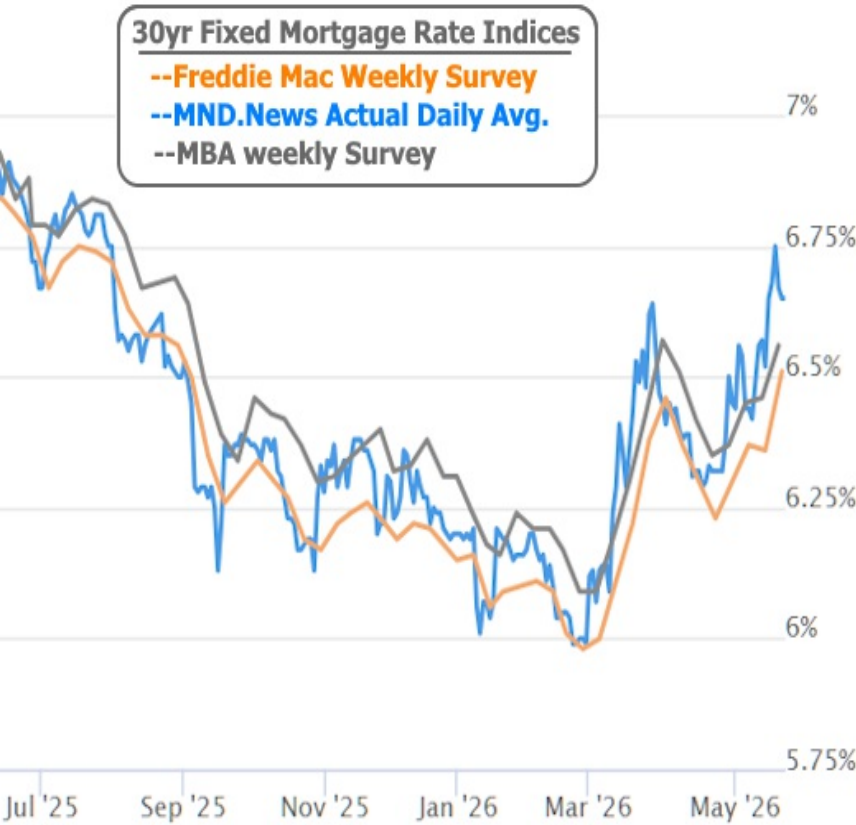
Recent Housing Data

		Value	Change
Mortgage Apps	Oct 14	188.6	-5.32%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Aug	684K	+12.69%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

Because rates are based on bonds, heavy selling has an immediate impact. It pushes bond prices lower and interest rates higher, all else equal. Mortgage rates are based on mortgage-backed securities (MBS) and not Treasuries, but MBS and Treasuries are almost always moving in the same direction on any given day. Thus the heavy Treasury selling spilled over to cause big price changes in MBS (and, thus, mortgage rates).

We can't really know too much about why this selling occurred, but we do know that it was probably a very large investment fund based on the volume of trades. Even then, there's no way to know if this was an outright bearish bet against rates or if that fund was simply getting out with the intent of reinvesting in different parts of the bond market in the coming days.

Thankfully, markets reacted to increased peace prospects on Wednesday with sharply lower oil prices and bond yields. Volatility decreased into the end of the week and the news cycle remained constructive enough for bonds to end the week near their best levels. In turn, mortgage rates were able to make it back to last Friday's levels. The counterpoint is that last Friday's level was the previous 9-month high at the time.



The market is fully closed on Monday for the Memorial Day Holiday. After that, the primary focus should continue to be on the Iran war peace process.

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Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, May 18				
10:00AM	May NAHB housing market indx	37	35	34

Event Importance:

- No Stars = Insignificant
- ☆ Low
- ★ Moderate

Date	Event	Actual	Forecast	Prior
Tuesday, May 19				
10:00AM	Apr Pending Home Sales (%)	1.4%	1%	1.5%
Wednesday, May 20				
7:00AM	May/15 MBA Refi Index	920.2		921.1
7:00AM	May/15 MBA Purchase Index	170.4		177.7
2:00PM	FOMC Minutes			
Thursday, May 21				
8:30AM	May/16 Jobless Claims (k)	209K	210K	211K
8:30AM	May Philly Fed Business Index	-0.4	18	26.7
8:30AM	Apr Housing starts number mm (ml)	1.465M	1.41M	1.502M
8:30AM	Apr Building Permits (ml)	1.442M	1.39M	1.363M
Friday, May 22				
10:00AM	May Consumer Sentiment (ip)	44.8	48.2	49.8
10:00AM	Apr CB Leading Index MoM (%)	0.1%	-0.2%	-0.6%
Monday, May 25				
12:00AM	Memorial Day			
Tuesday, May 26				
9:00AM	Mar FHFA Home Prices y/y (%)	1.7%		1.7%
9:00AM	Mar Case Shiller Home Prices-20 y/y (%)	0.8%	1%	0.9%
10:00AM	May CB Consumer Confidence (%)	93.1	92	92.8
Wednesday, May 27				
8:15AM	ADP Employment Change Weekly	35.75K		42.25K
Thursday, May 28				
8:30AM	May/23 Jobless Claims (k)	215K	211K	209K
8:30AM	Q1 GDP (%)	1.6%	2.0%	0.5%
8:30AM	Apr PCE (y/y) (%)	3.8%	3.8%	3.5%
8:30AM	Apr Durable goods (%)	7.9%	3.5%	0.8%
10:00AM	Apr New Home Sales (ml)	0.622M	0.67M	0.682M
Friday, May 29				
9:45AM	May Chicago PMI	62.7	50.5	49.2

☆☆ Important
☆☆☆ Very Important

White Glove Red Carpet Service

When you're working with me it's all about access and affordability. I have the most up to date products and access to the best lenders. This is your journey, my team and I are here for you! This may be your first home , second / vacation home, investment property. Or you may even be helping someone out :)

For business owners we have access to alternative qualification products that have different options such as bank statements, profit and loss statements and sometimes other options. Tax returns are not needed for these particular loans, so if you are reinvesting in your business this is a great option!

Whether you are buying or refinancing it's best to contact me early in the process.

For first timers, it's truly important to get a picture of income, credit and debt. Let's work together to make your dreams a reality!

Shane Braninburg

