

THE FEDERAL SAVINGS BANK



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## Ted Rood

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### A Message from Ted Rood:

*"The trend is our friend, until it isn't anymore.....but it sure is for now. Rates continue to improve, love it!"*

## UPDATE: Back in Positive Territory After ISM

Bond markets were weaker overnight, hitting their worst levels at 8:45am. 10yr yields were up roughly 4bps and Fannie 3.0s were down almost a quarter of a point. Bonds began clawing back at that point, with the only apparent motivation being surprisingly dovish commentary from NY Fed's Dudley. In not so many words, he alluded to a March rate hike being off the table if financial conditions remain tighter by then.

The bigger kicker has been the just-released ISM non-manufacturing data. It was much weaker than expected. Here's a run-down:

- PMI 53.5 vs 55.1, lowest since Feb 2014
- Business Activity 53.9 vs 58.5, lowest since AUGUST 2012!
- Prices Paid 46.4 vs 51.0
- Employment lowest in a year

And this is the SERVICES sector--the one that has been outperforming the manufacturing data and serving as one of the last bastions of hope for an ongoing economic expansion. This particular drop puts the series in dangerous territory--economically speaking (running the risk of signalling the end of the expansion cycle). It's not that this report can accomplish that in and of itself, but if labor indicators are weak and if next month's ISM data were weak, it would be a pretty huge deal considering the Fed only pulled off ONE rate hike.

Stocks are tanking and bond yields are following. 10's are down to 1.831 and Fannie 3.0s are up 5 ticks to 102-13.

### 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: 9/17:34PM EST

### Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
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
<b>Freddie Mac</b>			
30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00
<b>Mortgage Bankers Assoc.</b>			
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
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30



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## 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.

**Ted Rood** 