

THE FEDERAL SAVINGS BANK



Co. NMLS# 411500



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

A Message from Ted Rood:

"Bonds rallying strongly today. I'm guessing Brexit Drama is helping."

UPDATE: Strong 10yr Auction Despite Normal Pre-Auction Routine; Bonds Rallying

- 10yr Auction
 - 2.615 vs 2.626% forecast
 - Bid-To-Cover 2.59 vs 2.50 average
 - Indirect bid: 69.4% vs 61.2% avg

Given the fact that bonds didn't undergo any of the typical "pre-auction concession" (a rise in yields in the run up to an auction, which facilitates easier bidding due to lower prices OR which serves as a reminder that some accounts are holding off on morning bond buying because they're waiting to do so at auction), today's strong results are all the more striking.

It's no surprise to see yields falling in response. Simply put, this is proof positive of solid demand for the longer end of the yield curve even as 10yr yields trade near the bottom of their recent range.

The only caveat I'd throw out here is that the free world is sort of waiting to see what happens with tonight's Brexit vote and that could be creating additional safe-haven demand overseas.

10s are currently down nearly 3bps at 2.612%, and Fannie 3.5 MBS are up nearly a quarter point at 100-18 (100.56).

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
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
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30



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

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 