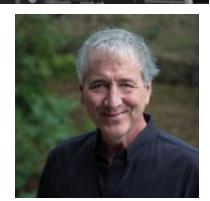
Mortgage Rates Little Changed, But Friday Could See a Bigger Move

Mortgage rates began the day perfectly in line with yesterday's latest levels for the average lender. By the afternoon, the underlying bond market had lost enough ground that a handful of lenders were forced to issue mid-day reprices thus taking the average just a bit higher.

Unlike the past few days, there wasn't a highly important economic report to cause volatility this morning. The underlying bond market drifted into progressively weaker territory on a combination of factors. These included the market's reaction to the European Central Bank's policy announcement as well as headlines regarding a phone call between Trump and Xi that may lead to improved trade relations.

In general, lower tariffs and freer-flowing trade have resulted in stocks and rates moving higher together--what the market sometimes refers to as a "risk-on" move. Stocks notably ended up moving lower by the afternoon even as bond yields remained higher. We can reconcile this in several ways, but none of them are too important.

What's important is that tomorrow morning brings the big jobs report--the data that has the greatest potential to cause volatility for rates of any of this week's offerings. Potential isn't always realized. The farther the number falls from forecasts, the greater the potential impact, for better or worse.



Roland Wilcox Owner / Loan Officer, Sierra Capital Mortgage Co. P: (626) 449-8545 1055 E. Colorado Blvd. Pasadena CA 91106 245214

