

# MARKET SUMMARY

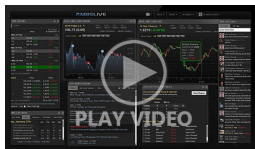
Complete Recap of Today's Market Activity

## Have Bonds Lost Enough Ground to Imply Some Relief?

Market Summary: Friday, September 16, 2022 - 10:39AM

Rates are as high as they've been in 14 years and have moved relentlessly higher since August 2nd. Is it enough weakness to hope for a technical bounce ahead of the Fed? Spoiler alert: while that could happen, it doesn't make much sense to count on anything until we actually see what the Fed has to say.

### Latest Video Analysis



Have Bonds Lost Enough Ground to Imply Some Relief?



**Wilkin Lai**

Managing Broker, RIC3 LLC

[lendinginthed.com](http://lendinginthed.com)

**P:** (845) 299-7717

**M:** (313) 525-1255

[wilkin@ric3home.com](mailto:wilkin@ric3home.com)

10 Bruce St  
New Paltz NY 12561  
166537

### MBS & Treasury Markets

<b>UMBS 5.0</b> 99.59 <b>-0.05</b>	<b>10YR</b> 3.451% <b>+0.003%</b>	9/16/2022 5:00PM EST
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## Nice Bounce Erases The AM Weakness

Of course it's still technically the "AM," but earlier this morning, MBS were down roughly 3/8ths of a point. Most of that was due to , but the price is the price. There was actual weakness in play as confirmed by 10yr yields being several bps higher at 3.492%.

10s are now DOWN 2 bps on the day at 3.43% and 4.5 UMBS coupons just broke even on the day (up 1 tick or 0.03).

There is no news specifically driving the gains. It would be tempting to conclude that lower inflation expectations in the Consumer Sentiment data were doing the trick, but bonds were actually trading the flattest in the 10 minutes following the release of that data.

**ALERT:** Losing Ground Early

**ALERT:** Negative Reprices Becoming More Likely

## Today's Mortgage Rates

30YR Fixed 6.35% +0.02%

15YR Fixed 5.65% +0.10%

9/16/2022

### 6% Mortgage Rates Are OLD News

The internet, TV, and even public radio stations were buzzing all day with groundbreaking news on . Apparently, for the first time in 14 years, 30yr fixed rates moved back above 6%. Big news, right?!

Perhaps not. Here are 2 headlines from the recent past:

(September 1st)

(June 13th)

After initially breaking above 6% in June, rates managed a very nice recovery by the end of July. But ever since, they've been on the rise. In addition to spending almost the entirety of September above 6%, today's rates, specifically, set another new 14-year high.

So why is it suddenly big news that rates are over 6%?

It's all a question of the source material for the news. Today's buzz is due to the fact that Freddie Mac's weekly rate survey finally hit 6%. While that survey data is frequently stale and occasionally misleading, it's nonetheless a mortgage industry institution (to Freddie's credit, they recently announced they'd be revising their methodology to address these drawbacks. Here's hoping they nail it!). Simply put, it is heavily relied upon by almost every major news organization for the week's only dedicated mortgage rate coverage.

The following chart shows how actual daily rates have fared over time versus Freddie and MBA rates. The daily rates are typically higher at times when "points" are involved in securing the best rates because the daily rates are adjusted for points (thus allowing for an apples to apples comparison with any other point in the past).

[thirtyyearmortgagerates]

Time	Event	Actual	Forecast	Prior
<b>Friday, Sep 16</b>				
12:00AM	Roll Date - UMBS 15YR, Ginnie Mae 15YR			
10:00AM	Sep 1yr Inflation Outlook (%) ☆	4.6		4.8
10:00AM	Sep 5yr Inflation Outlook (%) ☆	2.8		2.9
10:00AM	Sep Consumer Sentiment ☆	59.5	60.0	58.2
4:00PM	Jul Net Long-Term Flows, including swaps (TIC data) (bl)	6.0		132.0
4:00PM	Jul Net Long-Term Flows, excluding swaps (TIC data) (bl)	21.4		121.8
4:00PM	Jul Overall net capital flows (TIC Data) (bl)	153.5		22.1
4:00PM	Jul Foreign Buying, Bonds (TIC Data) (bl)	23.1		58.9
<b>Monday, Sep 19</b>				
10:00AM	Sep NAHB housing market indx ☆	46	47	49
11:30AM	52-Week Bill Auction (bl)	42		
11:30AM	26-Week Bill Auction (bl)	54		

## Recent Housing News

- Mortgage Application Volume, Tiny Increase in Purchase Activity Ends 5-Week Slump
- Credit Access Reflects Reduced Appetite for Risk
- Mortgage App Volume Declines, But Jobs Data Offers Silver Lining

## Read My Latest Newsletter

## Things Are About to Get Interesting

It's certainly already been an interesting year for financial markets--especially for housing and interest rates. But most of what's happened over the past 8 months could be thought of as the more predictable phase of the post-pandemic market cycle. It's what happens next that'll be more interesting. How could anyone say that the last 8 months have been predictable when rates have risen at the ...

## Mortgage Calculators

- 📊 Mortgage Payment w Amortization
- 📊 Loan Comparison
- 📊 Early Payoff
- 📊 Should I Refinance?
- 📊 Rent vs. Buy
- 📊 Advanced Loan Comparison