



30 Year Mortgage Rates Drop to Record Lows - Fixed Income Overview

Continued low rates drove mortgage rates to their lowest levels ever, pushing the average 30- year fixed conforming rate to 2.99% in July as reported by Freddie Mac. Historic low mortgage rates are a buffer for the housing market, where continued high unemployment is expected to hinder loan approvals.

U.S. government bond yields fell across all maturities in July, with the benchmark 10-year Treasury yield reaching 0.55% and the 30-year Treasury yield falling to 1.20%. Economists view the higher yielding long-term bonds as a normal yield curve, indicating some inflationary expectations and future economic growth.

Sources: Freddie Mac, Bloomberg, U.S. Treasury