



Rich E. Blanchard

Managing Director, RICH Home Loans LLC

NMLS: 492461

1550 Wewatta St., 2nd Floor Denver, CO 80202

Office: 720.619.9900

Mobile: 303.328.7047

Fax: 214.975.2874

richblanchard@richhomeloans.com

[View My Website](#)

MBS Recap: Quiet, Flat, But Slightly Ominous, Depending on Your Outlook

Bond markets had an exceedingly acceptable day. MBS and Treasuries were generally in stronger territory by the end of the day, but by too small a margin to make much fuss.

NOTE: Today was the roll for **Fannie and Freddie 30yr coupons**. That means that December coupons are no longer trading and that we'll now take our price indications from the next coupons in line (January). The subsequent delivery month in any MBS coupon will always be lower in price because investors wait an additional month before getting their first payment. In other words, prices look like they jumped lower, but they have not.

We saw a good mix of **supportive and ominous** cues from a technical perspective today. Bond bulls will appreciate that we held on to yesterday afternoon's weakest levels as support (2.24-ish in terms of 10yr yields, or 103-15 in terms of Fannie 3.5s). Pessimists will note that we were unable to break yesterday's best levels--the same resistance that blocked further progress in late November (i.e. 10yr yields around 2.20).

Through it all, there **weren't any major clues or arguments** in favor of either worldview. We can very likely infer that traders are circling the proverbial wagons heading into next week's FOMC Announcement. Everyone knows what's going to happen, but no one knows what the collective reaction will look like.

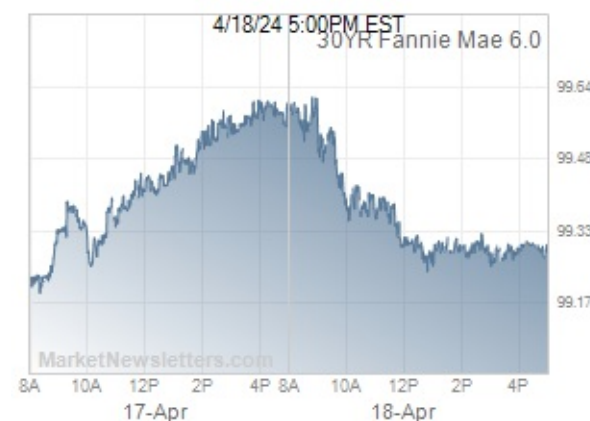
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MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.30	-0.29
MBS GNMA 6.0	100.06	-0.09
10 YR Treasury	4.5714	-0.0551
30 YR Treasury	4.6812	-0.0506

Pricing as of: 4/18 9:15PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.43%	+0.02	0.00
15 Yr. Fixed	6.84%	+0.01	0.00
30 Yr. FHA	6.90%	+0.03	0.00
30 Yr. Jumbo	7.62%	+0.02	0.00
5/1 ARM	7.40%	+0.03	0.00
Freddie Mac			
30 Yr. Fixed	7.10%	-0.34	0.00
15 Yr. Fixed	6.39%	-0.37	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.13%	+0.12	0.00
15 Yr. Fixed	6.64%	+0.18	0.64
30 Yr. FHA	6.90%	+0.10	0.99
30 Yr. Jumbo	7.40%	+0.27	0.46
5/1 ARM	6.52%	+0.11	0.60

Rates as of: 4/18

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