



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](#)

UPDATE: ADP Ends Overnight Rally, But Doesn't Reverse It

Just a quick update on where we stand for those of you who rely primarily on the updates/alerts:

- North Korea claims to have tested a Hydrogen Bomb last night. This could be fueling demand for safer-haven assets like bonds
- Non-Manufacturing data in China was weak to start the overnight session. This pushed global stock indices lower and helped global bond markets.
- Oil and European bond yields also fell.
- The rally was in progress when ADP Employment data came out stronger than expected (257k vs 192k)
- The ADP data marked the end of the rally for the morning, but didn't cause as big of a reversal as might be expected of such a large beat.
- The 10am ISM data didn't really have much to say, as it came in very close to consensus (58.7 vs 58.4)

10yr yields and MBS have been in a consolidation patterns since the selling that followed the ADP data. They're both still well into positive territory on the day. The key risk is that the rally found its limit after ADP, so we either need to break those yields soon or prepare for afternoon weakness.



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MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.09	+0.31
MBS GNMA 6.0	101.03	+0.29
10 YR Treasury	4.5138	-0.0657
30 YR Treasury	4.6711	-0.0579

Pricing as of: 5/3 5:04PM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	0.00

Freddie Mac

30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/3

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