



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: Bonds Finally Had Enough (of a Good Thing)

Bond markets were **weaker** in the overnight session and continue trading in weaker territory so far today. While this may not be the best way to start the week, it's a logical one given the supply and technical considerations discussed in the [Week Ahead](#).

The **most salient feature** of this morning's bond market movements is the fact that Treasuries have finally **ignored** the cues from global equities markets. That's not quite black and white though. Treasury yields are indeed higher despite Chinese and US equities being lower on the day, but that has to do with Treasuries simply not following the initial overnight weakness in stocks. Since then, the two sides of the market have been about as connected as they recently have been.



As expected, corporate debt issuance is quickly adding **supply pressure** for bond markets. More simply put, Treasury is auctioning a bunch of debt this week. Corporations are auctioning a bunch of debt. Like any overstocked market, excess supply puts pressure on prices, all things being equal.

MBS are outperforming the Treasury sell-off. This is typical behavior, especially in light of the supply considerations doing more to hurt Treasuries specifically. Fannie 3.0s are down only 7 ticks in price while 10yr yields are down 16 ticks in price (up 5.4bps in terms of yield).

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	0.0000
30 YR Treasury	4.6711	0.0000

Pricing as of: 5/5 7:51PM 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



Subscribe to my newsletter online at: <http://housingnewsletters.com/richhomeloans>

Expert Advice | Exceptional Service | Flawless Execution

With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

Rich E. Blanchard

