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## ALERT: Pent-Up Selling Pressure Pushes Bonds to Weakest Levels

- Some traders began their session with the intent to sell
- Oil prices and German Bund yields also heading higher
- Technical floor causing problems for US 10's at 1.86+
- Earliest lenders already potentially at risk

Sometimes we refer to certain classes of traders being "lined up to sell" at the open. This will generally refer to the traders who keep CME Treasury pit hours which begin at 8:20am. Indeed, that's when that's when we saw the weaker momentum begin to build this morning. If more than a few of the bigger accounts begin their day with the intent to sell, this can be the result unless there's a more compelling reason to buy bonds.

If anything, the other considerations are also negative as oil prices and German Bund yields have been rising for nearly 3 hours now. In addition, 10yr yields continued to struggle with the high 1.86's last night and early this morning, making this the third session in a row where that particular resistance has held firm.

If you have overnight price protection, be aware that Fannie 3.0s are now 6 ticks lower on the day, and if you're dealing with one of the very few lenders that prices near 8:30am, they're already seeing as much as an eighth of a point of weakness in MBS since rate sheet print times. As such, negative reprices are already an outside possibility.



## MBS & Treasury Market Data

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

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

## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			

30 Yr. Fixed	7.28%	<b>-0.09</b>	0.00
15 Yr. Fixed	6.75%	<b>-0.07</b>	0.00
30 Yr. FHA	6.70%	<b>-0.12</b>	0.00
30 Yr. Jumbo	7.48%	<b>-0.07</b>	0.00
5/1 ARM	7.35%	<b>-0.07</b>	0.00

### Freddie Mac

30 Yr. Fixed	7.22%	<b>-0.22</b>	0.00
15 Yr. Fixed	6.47%	<b>-0.29</b>	0.00

### Mortgage Bankers Assoc.

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

Rates as of: 5/3

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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**

