



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](#)

The Day Ahead: Bonds Still Looking to Confirm Last Week's Momentum

- Last week introduced the possibility that March's bearish trend was reversing
- yesterday's weakness failed to confirm that reversal
- It's still possible, but there's slightly more reason to be cautious now

The 8:20am CME pit open was a focal point for yesterday's **morning volatility**, letting us know that tradeflow considerations were setting the tone. In other words, traders weren't watching news or economic data for market moving guidance at that point in the day. They simply had trades they needed or wanted to make and had been waiting--by choice or necessity--for the CME pit open.

The fact that tradeflows were in control was apparent in the divergence between stocks and bonds. **Both lost ground** simultaneously--something they haven't been too eager to do for most of the year. In the bigger picture, however, the traditional stock lever relationship should continue to have a bearing on bond markets. Specifically, if the long-term parabolic reversal continues in stocks, we may finally get the technical confirmation we're looking for.

The following chart shows that big, parabolic movement in the S&P as well as the technical floor that 10yr yields have been running into based on several technical studies as well as simple pivot points. In terms of technical studies, Bollinger Bands and Stochastics are two of the most common, and like many other studies that aren't pictured in the chart, **they tell the same story** of bond markets getting hung up before breaking into a more positive trend. In terms of outright trading levels, the most recent range has been pretty clearly set by 1.92 overhead and 1.86 underfoot. Until we break one of those, we're in limbo.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.37	+0.30
MBS GNMA 6.0	100.35	+0.27
10 YR Treasury	4.6645	-0.0394
30 YR Treasury	4.7739	-0.0400

Pricing as of: 4/26 5:05PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.45%	-0.07	0.00
15 Yr. Fixed	6.86%	-0.05	0.00
30 Yr. FHA	6.95%	-0.05	0.00
30 Yr. Jumbo	7.64%	-0.04	0.00
5/1 ARM	7.50%	-0.05	0.00
Freddie Mac			
30 Yr. Fixed	7.17%	-0.27	0.00
15 Yr. Fixed	6.44%	-0.32	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: 4/26



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

