



## Rich E. Blanchard

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## The Day Ahead: (And Maybe "The Recap" Too): Limited Data, Early Close, No Major Expectations

NOTE: This paragraph will be at the top of the Day Ahead for a few weeks. Once you've read it, feel free to skip it. The Day Ahead has long been my venue to offer deep thoughts with a mix of big-picture and near-term technical considerations. I'll still be doing that, but in posts on MBS Live and under the 'General Commentary' heading (which still shows up on MND for free, but delayed). The Day Ahead will quickly evolve into a more cut and dried run-down of the events of the day (as it should be). Some days are more interesting than others, so some posts will be almost comically short, depending on the slate of events. It will still contain charts from time to time, but generally just to lay out technical levels we should be watching.

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Today's Day Ahead may also be the recap due to the early close (2pm ET) and the fact that there's a solid chance we don't see anything worth a recap. So if bonds haven't moved more than bp or 2 in either direction by 2pm, Happy New Year!

The **only significant data** on tap is Chicago PMI at 9:45am. If you like to follow markets in real-time, Chicago PMI can be a fun one due to the fact that some traders pay for early access to this data and can trade on it starting at 9:42am. So in instances where it's much stronger or weaker than expected, you can see the market movement before the report officially comes out.

Beyond that, there's not much to hold our interest today. Most year-end days are half-days, and they've historically been different than other full days on month/quarter/year-end in that there's **not** the same frenzied, inexplicable momentum near the closing bell. In short, I think we've seen a majority of the month/quarter/year-end trading needs come to the surface over the past 2 weeks, but **especially** over the past 2 days.

On a final note, keep in mind yesterday's constant refrain: the positivity over the past 2 days is, in no way, shape, or form a signal of the beginning of a new trend. Don't bank on it continuing into the new year. That CAN happen, but it would be incidental. Some strategists flat-out **expect a reversal** next week. For what it's worth history suggests the first week of January doesn't really follow any rules.

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## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.40	<b>-0.15</b>
MBS GNMA 6.0	100.78	<b>+0.04</b>
10 YR Treasury	4.4223	<b>+0.0454</b>
30 YR Treasury	4.5610	<b>+0.0549</b>

Pricing as of: 5/17 5:59PM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.09%	<b>+0.07</b>	0.00
15 Yr. Fixed	6.56%	<b>+0.03</b>	0.00
30 Yr. FHA	6.62%	<b>+0.07</b>	0.00
30 Yr. Jumbo	7.35%	<b>+0.04</b>	0.00
5/1 ARM	7.30%	<b>+0.06</b>	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	7.02%	<b>-0.42</b>	0.00
15 Yr. Fixed	6.28%	<b>-0.48</b>	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.08%	<b>-0.10</b>	0.63
15 Yr. Fixed	6.61%	<b>+0.01</b>	0.65
30 Yr. FHA	6.89%	<b>-0.03</b>	0.94
30 Yr. Jumbo	7.22%	<b>-0.09</b>	0.58
5/1 ARM	6.56%	<b>-0.04</b>	0.66

Rates as of: 5/17

## 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**

