



## Rich E. Blanchard

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## ALERT: Bonds Tank Despite Seemingly Tame Data; Reprice Considerations for Early Lenders

Bond vigilantes are on HIGH alert, let me tell you! Well, at least a few of them are. We just saw something that hearkens back to the hyperinflation fear trade of 2010 following this morning's very slight beat in Core Producer Prices (+1.6 vs +1.5 forecast). The Fed has made it clear that advancing inflation is clear grounds for more rapid rate hikes. So if that inflation is ticking up even before Trump's policies go into effect, no bond traders wants to be behind that curve. And a few bond traders were willing to sell the farm on today's very small 'beat' in the generally less highly-regarded Producer Price data.

Retail Sales came in weaker than expected at +0.6 vs +0.7. It's possible, however, that traders expected a bigger miss, given the negative buzz surrounding December's Retail performance.

Either way, bonds are losing ground, with 10yr yields quickly up to 2.374 and Fannie 3.5s down a quick 7 ticks from pre-data levels at 102-23. As such, any lenders who were already out with rates **may be considering negative reprices**.



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## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.12	<b>-0.16</b>
MBS GNMA 6.0	100.92	<b>-0.23</b>
10 YR Treasury	4.4954	<b>+0.0393</b>
30 YR Treasury	4.6371	<b>+0.0286</b>

Pricing as of: 5/10 10:22AM EST

## Average Mortgage Rates

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

30 Yr. Fixed	7.15%	<b>-0.05</b>	0.00
15 Yr. Fixed	6.63%	<b>-0.03</b>	0.00
30 Yr. FHA	6.61%	<b>-0.03</b>	0.00
30 Yr. Jumbo	7.39%	<b>-0.02</b>	0.00
5/1 ARM	7.34%	<b>+0.01</b>	0.00

## Freddie Mac

30 Yr. Fixed	7.09%	<b>-0.35</b>	0.00
15 Yr. Fixed	6.38%	<b>-0.38</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: 5/9

## 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**

