



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: Verizon Corporate Issuance Adds Pressure, but Bonds Holding Ground

If you're not familiar with how **corporate bond issuance** adds pressure to bond markets in general, check out the primer: [How Does Corporate Debt Issuance Affect Mortgage Rates?](#)

With that out of the way: Verizon announced another **big** corporate deal this morning. This isn't a new idea from Verizon, but best we can tell, this deal wasn't widely broadcast ahead of time like their previous big deals (markets participants may well have expected some debt issuance due to the acquisition of Yahoo!, but there were no major hints as to the timing and size).

While this isn't as big as some of Verizon's previous deals, **\$10bln** is often higher than we see for an entire day. With corporate issuance already fairly active at the moment, the extra \$10bln (and the fact that it flew under the radar) matters. Bonds were set to begin the day at roughly unchanged levels and instead are coping with moderate weakness.

Even so, Treasuries and MBS have coped with the added pressure with relative aplomb--potentially **reaffirming the current range** heading into Wednesday's Fed events. 10yr yields are up 1.3bps at 2.59% and Fannie 3.5s are down 2/32nds at 101-02. There are no major scheduled economic reports this morning.



MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.63	-0.16
MBS GNMA 6.0	101.34	-0.14
10 YR Treasury	4.3701	+0.0296
30 YR Treasury	4.5141	+0.0075

Pricing as of: 5/16 1:58PM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.99%	0.00	0.00
15 Yr. Fixed	6.51%	+0.01	0.00
30 Yr. FHA	6.50%	-0.02	0.00
30 Yr. Jumbo	7.29%	-0.01	0.00
5/1 ARM	7.22%	+0.02	0.00

Freddie Mac

30 Yr. Fixed	7.02%	-0.42	0.00
15 Yr. Fixed	6.28%	-0.48	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.08%	-0.10	0.63
15 Yr. Fixed	6.61%	+0.01	0.65
30 Yr. FHA	6.89%	-0.03	0.94
30 Yr. Jumbo	7.22%	-0.09	0.58
5/1 ARM	6.56%	-0.04	0.66

Rates as of: 5/16

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