



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: Burden of Proof on Bonds to Justify Rally

With 10yr yields having made it close to 2017's lower range in the most recent rally, the burden of proof is on bond bulls to come up with **justification for any additional gains**. Yesterday offered a brief glimmer of hope in that regard as bonds responded to the official start of the Brexit process as well as comments from the ECB that essentially told markets not to worry too much about rate hikes or the removal of stimulus.

That helped bonds recover much of Tuesday's weakness, but notably, the entire "risk-off" trade (lower bond yields, stock prices, and Yen/\$) ground to a halt **without** coming anywhere close to making new lows (i.e. 10yr yields didn't challenge the 2.30% area). For now, there's a risk that these metrics continue trending higher, leading back from Monday morning's lows.



Today is **light on economic data** (Claims and GDP are already out, and they had minimal impact on the bigger-picture range), but we will get several **Fed speakers** before noon Eastern and NY Fed Pres. Dudley at 4:30pm ET (not much time to move markets today, but definitely a potential market mover given his role in shaping expectations at the end of February).

Subscribe to my newsletter online at:

<http://housingnewsletters.com/richhomeloans>

MBS & Treasury Market Data

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

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



Average Mortgage Rates

| | Rate | Change | Points |
|----------------------------|-------|--------------|--------|
| Mortgage News Daily | | | |
| 30 Yr. Fixed | 7.09% | +0.07 | 0.00 |
| 15 Yr. Fixed | 6.56% | +0.03 | 0.00 |
| 30 Yr. FHA | 6.62% | +0.07 | 0.00 |
| 30 Yr. Jumbo | 7.35% | +0.04 | 0.00 |
| 5/1 ARM | 7.30% | +0.06 | 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: 5/17

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

