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## UPDATE: MBS Quietly Battle Back as Treasuries Grind Sideways

Today's trading session has been a classic example of what we sometimes refer to as an unofficial 3rd day of the weekend. This is somewhat surprising, given that Friday was a **high-volume, high-movement day**, and that today's economic calendar had at least one big-ticket market mover. Even so, the absence of volume and volatility speak for themselves.

MBS have been **outperforming** Treasuries for a few reasons. The easiest observation to make is that Treasuries outperformed MBS on Friday, and today is payback. It's not uncommon for Treasuries to lead bigger, risk-off moves and for MBS to close the gap when Treasuries settle down. That's exactly what the 2-day pattern looks like.

### 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

#### Freddie Mac

30 Yr. Fixed	7.02%	<b>-0.42</b>	0.00
15 Yr. Fixed	6.28%	<b>-0.48</b>	0.00

#### Mortgage Bankers Assoc.

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



A fairly active slate of corporate bond issuance is also causing some **extra pressure** for Treasuries. To understand why corporate issuance affects Treasuries more than MBS, read [this primer](#).



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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**

