



## 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](mailto:richblanchard@richhomeloans.com)

[View My Website](#)

## The Day Ahead: Bigger Picture Bounce Risk Remains After High-Risk Events

All of our high-risk events for this week have come and gone, and bond markets aren't able to justify the stronger "lead-off" levels that marked the preparation for more dire outcomes. While it is worth something that yields haven't spiked higher in dramatic fashion, they're moving higher nonetheless. This creates technical **risks that momentum is shifting**, or perhaps, that it has already shifted.



What would this negative technical shift **mean for us**? Look at the mid-April to mid-May correction in bond yields for a good baseline idea. That's the most recent example of a negative shift that follows the most similar rally to the one we've just experienced since mid-May. Of course there's never a guarantee that one correction will follow the historical trend of another, but if we needed a baseline definition for a negative technical shift, there it is.

The **key technical levels** from the last few weeks are back in play with today's first battle at the 2.21-2.22% zone. From there, we'd be looking to 2.25-2.27% for defense. Things wouldn't be getting too serious unless yields broke over 2.305%

## 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
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### 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

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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**

