#### Mortgage Market Commentary



**Rich E. Blanchard** Managing Director, RICH Home Loans LLC NMLS: 492461 1550 Wewatta St., 2nd Floor Denver, CO 80202

# The Day Ahead: For Bonds, It's Still "Duck and Cover"

2018 has seen the most unpleasant start to a new year since 2009 as far as bond markets are concerned. The big sell-off in 2009 is **easier to reconcile** as a correction to an even sharper move to lower yields as the financial crisis officially hit Treasury yields.

This time around, the selling is occurring in a **much scarier** way. Whereas 2009 marked a correction to a longer-term downtrend, 2018 is more of an acceleration of a preexisting uptrend.



In the shorter-term, the momentum has been fairly **relentless**. The pace has been fairly gradual compared to other moves of equal size. That's bad. Gradual moves tend to have more staying power.

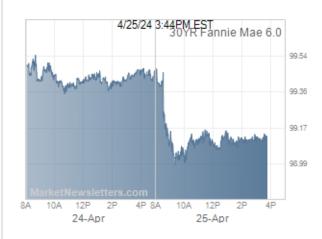
Although bounces can materialize any time, there's no solid indication of that happening just yet. Just last week, 2.885 emerged as a potential ceiling (2 big bounces on Monday and Thursday) and was **quickly broken** in this morning's overnight trading. Momentum indicators have yet to give a positive signal and yields themselves have yet to meaningfully test the lower boundary of the trend channel (the upwardly sloped lines seen in the following chart).

Office: 720.619.9900 Mobile: 303.328.7047 Fax: 214.975.2874 richblanchard@richhomeloans.com View My Website

#### MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.13	-0.31
MBS GNMA 6.0	100.06	-0.19
10 YR Treasury	4.7019	+0.0597
30 YR Treasury	4.8155	+0.0443
Dricing as of: 1/25 2.1/DM EST		

Pricing as of: 4/25 3:44PM EST



#### Average Mortgage Rates

	Rate	Change	Points
Mortgage News I	Daily		
30 Yr. Fixed	7.52%	+0.13	0.00
15 Yr. Fixed	6.91%	+0.08	0.00
30 Yr. FHA	7.00%	+0.13	0.00
30 Yr. Jumbo	7.68%	+0.10	0.00
5/1 ARM	7.55%	+0.15	0.00
Freddie Mac			
30 Yr. Fixed	7.17%	-0.27	0.00
15 Yr. Fixed	6.44%	-0.32	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
<b>5/1 ARM</b> Rates as of: 4/25	6.64%	+0.12	0.87

© 2024 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans

### Mortgage Market Commentary



With all of the above in mind, this week is just another opportunity to see how much staying power this negative trend really has. Wednesday could be particularly interesting with the release of the Consumer Price Index (CPI), which is currently the **most important** piece of economic data on any given month. The most informative and disconcerting reaction would be a weak CPI reading followed by a knee-jerk rally that then gives way to more selling. That would be the worst case scenario in terms of implications for the bigger picture. Conversely, an eventual rally that follows stable or stronger CPI would suggest bonds are increasingly ready to hold their ground near current levels.

Subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans

## 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** 



© 2024 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans