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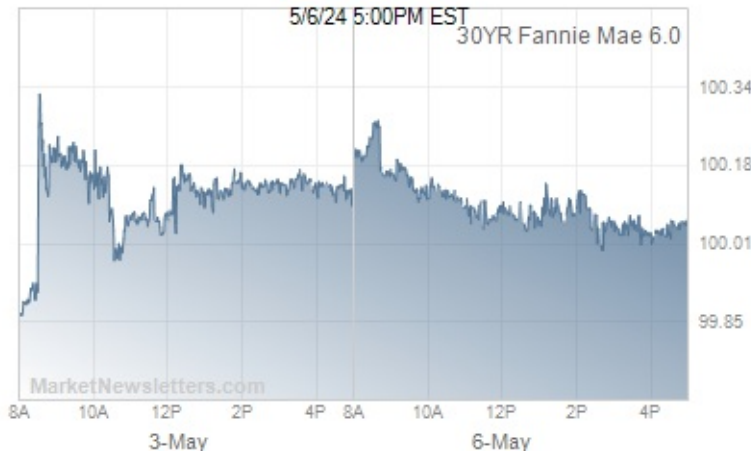
## UPDATE: 2yr Auction Helps an Already Strong Bond Market

- 2yr Treasury Auction
  - 1 full bp lower than expected (2.125% vs 2.225%)
  - Bid to cover: 2.75x vs 2.52x avg
  - Direct bidders took 27.2 vs 16.4% avg (highest since 2013)
  - Dealers took 26.2% vs 36.1% avg

It's tremendously uncommon for a 2yr Treasury auction to have a visible impact on trading in longer-dated Treasuries like the 10yr, but today is an exception.

Bonds were already much stronger overnight as Treasuries caught up to 2 days worth (Monday and Tuesday's overnight session) of European bond market gains. 2.28% had offered some resistance as a floor during the first few hours of domestic trading.

Following the auction, 10yr yields broke all the way down to 2.264%, but have since edged slightly higher to 2.269%. MBS are participating in the rally, but not on the same level as Treasuries. Fannie 3.0 coupons are up 6 ticks (.19) on the day at 99-24 (99.75).



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## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.05	-0.03
MBS GNMA 6.0	100.92	-0.11
10 YR Treasury	4.4926	-0.0212
30 YR Treasury	4.6405	-0.0306

Pricing as of: 5/6 7:58PM EST

## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			

30 Yr. Fixed	7.25%	-0.03	0.00
15 Yr. Fixed	6.68%	-0.07	0.00
30 Yr. FHA	6.64%	-0.06	0.00
30 Yr. Jumbo	7.45%	-0.03	0.00
5/1 ARM	7.32%	-0.03	0.00

### Freddie Mac

30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	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
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/6

## 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**

