



Ca-Vin Phan

Chief Operation Officer, Able Financial Corp
12387 Lewis St. Ste 201 Garden Grove, CA 92840

Office: 714-462-6149
Fax: 657-221-3063
cvphan@ablefinancialcorp.com
[View My Website](#)

ALERT: Negative Reprice Risk Increasing After 5yr Auction

- 5yr Treasury Auction
 - 2.652% vs 2.632% forecast
 - 2.09 bid to cover vs 2.48 average

These 2 stats tell us all we need to know about the 5yr Treasury auction. Granted, we are in the habit of expecting difficult auctions at this time of year, but this one fell outside the range of expectations. Is it likely a byproduct of an unexpected, illiquid rally on Christmas Eve? Almost certainly. But are bond markets going to pout about it a little bit right now nonetheless? Unfortunately.

10yr yields are now up nearly 5bps at 2.785% and Fannie 4.0 MBS are down more than an eighth of a point on the day. As such, unless you're looking at rate sheets that are already noticeably weaker on the day, negative reprices are now possible.



Subscribe to my newsletter online at:
<http://housingnewsletters.com/ablefinancialcorp>

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.39	+0.19
MBS GNMA 6.0	100.53	+0.14
10 YR Treasury	4.3602	-0.0724
30 YR Treasury	4.5297	-0.0761

Pricing as of: 7/3 5:59PM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	0.00

Freddie Mac

30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.03%	+0.09	0.62
15 Yr. Fixed	6.56%	+0.09	0.54
30 Yr. FHA	6.90%	+0.11	0.95
30 Yr. Jumbo	7.11%	-0.01	0.50
5/1 ARM	6.38%	+0.11	0.54

Rates as of: 7/3