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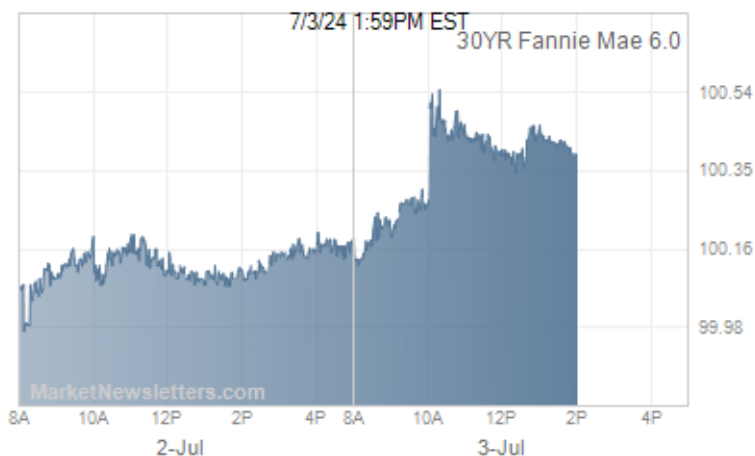
## UPDATE: 10yr Auction Helps Solidify a Ceiling

- 10yr Treasury Auction
  - 0.849% vs 0.855% expectation from just before the auction.
  - Bid-to-cover 2.36x vs 2.45x average
  - Indirects 61.0 vs 59.8 avg
  - Dealers took 29.8% vs 25.6% avg

This was a much better auction than yesterday's 3yr flavor and it suggests bonds had done enough to get in position for the supply. Especially noteworthy is the relatively close-to-avg performance in the dealer takedown. When dealers are forced to take much more than normal, it is often bad for rates after the auction.

10s are down a quick 5bps to .801 (unchanged on the day). 2.5 UMBS are also close to unchanged at 101-16 (101.5). That's more than half a point off the day's lows but still nearly half a point below the day's highs.

Best case scenario, we just saw a clue as to where bond sellers are starting to reconsider and where bond buyers are starting to see value (i.e. under 0.9% in 10yr yields). That's just today, but it's better than a sharp stick in the eye (or whatever else we were seeing an hour ago).



## 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 3:11PM EST

## Average Mortgage Rates

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

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

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