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## MBS Recap: Treasury Slide Transcends NFP; MBS Outperform

Bond yields rose overnight--well before NFP came out--following the senate's passage of a budget resolution that clears the way for (eventual) passage of the \$1.9 trillion stimulus package. NFP helped (then hurt, then helped again), but bonds ultimately gave in to rising rate pressures as traders began to build in a concession for next week's Treasury auction cycle. 10yr yields were up roughly 3bps on the day at the close, but MBS managed to hold roughly unchanged (further adding emphasis to the Treasury auction trepidation and budget related concerns as a bond market mover).

### Econ Data / Events

- **Fed MBS Buying 10am, 1130am, 1pm**
- **Nonfarm Payrolls.....** 49k vs 50k f'cast, -227k prev  
**Unemployment %....** 6.3 vs 6.7 f'cast, 6.7 prev  
**Avg work week.....** 35 hrs vs 34.7 prev/f'cast. New record

### Market Movement Recap

08:20 AM	Bounds vault higher overnight as senate approves \$1.9 trillion dollar budget plan. 10yr up almost 4 bps at 1.172% ahead of NFP. 2.0 UMBS down almost an eighth.
08:52 AM	Quick, moderately big gains following big miss in NFP. MBS turned green and Treasuries came close, but 10yr yields just moved back up, +2.82bps at 1.164%. MBS are back to 'unchanged.'
10:42 AM	Choppy 2-way trading in heavy volume... now declining and resolving with a technical bounce at the lowest yields of the day (10yr couldn't break below 1.135 y'day afternoon or this morning). Weakening a bit since then. UMBS 2.0 hit a similar resistance level at 103-03 (103.09), but are still roughly unchanged on the day.
02:40 PM	Volatile morning gave way to quieter afternoon. Treasuries sideways to slightly weaker. MBS outperforming--holding sideways as opposed to showing the moderate weakness seen in Treasuries. Stocks slept in and haven't done much other

## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.40	<b>-0.15</b>
MBS GNMA 6.0	100.78	<b>+0.04</b>
10 YR Treasury	4.4223	<b>+0.0454</b>
30 YR Treasury	4.5610	<b>+0.0549</b>

Pricing as of: 5/17 5:59PM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.09%	<b>+0.07</b>	0.00
15 Yr. Fixed	6.56%	<b>+0.03</b>	0.00
30 Yr. FHA	6.62%	<b>+0.07</b>	0.00
30 Yr. Jumbo	7.35%	<b>+0.04</b>	0.00
5/1 ARM	7.30%	<b>+0.06</b>	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	7.02%	<b>-0.42</b>	0.00
15 Yr. Fixed	6.28%	<b>-0.48</b>	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.08%	<b>-0.10</b>	0.63
15 Yr. Fixed	6.61%	<b>+0.01</b>	0.65
30 Yr. FHA	6.89%	<b>-0.03</b>	0.94
30 Yr. Jumbo	7.22%	<b>-0.09</b>	0.58
5/1 ARM	6.56%	<b>-0.04</b>	0.66

Rates as of: 5/17

than grind sideways at another all-time high.

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## Mortgage Market Newsletter

This is one of the most insightful resources when following the mortgage market news. If you have any questions, please feel free to contact me directly,

if you feel you have received this email in error, please let me know, and I will PERSONALLY ensure you are removed from any future communication.

This email is for educational purposes only and to establish relationships with like-minded individuals like yourself!

I hope to chat with you soon,

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