



Rich E. Blanchard

Managing Director, RICH Home Loans LLC

NMLS: 492461

1550 Wewatta St., 2nd Floor Denver, CO 80202

Office: 720.619.9900

Mobile: 303.328.7047

Fax: 214.975.2874

richblanchard@richhomeloans.com

[View My Website](#)

UPDATE: Mostly Holding Overnight Gains Amid Inconsequential Seasonal Conditions

My, how time flies! Just 2 days ago, it was the **most important** Fed day of the year, and today it's Christmas! Well, it might as well be. Bond markets are out for the holiday if trade flows are any indication.

In more realistic terms, this means that trading desks are thinly staffed and operating with a different set of goals and/or instructions. Lighter volume and lower liquidity mean that any given trade has a **bigger effect** on price movement than normal. Fortunately, this isn't a time of year where opportunistic traders are trying to capitalize on big moves, so we rarely see the worst case scenario materialize where traders take advantage of the illiquid conditions to push rates much higher or lower.

Bottom line: the holiday-inspired light volume makes for a **slippery slope**, but it also inspires traders to **tread lightly**.

That's not to say some traders won't have compulsory trades to make that fall outside the scope of treading lightly. But if so, we haven't seen it yet. Bonds were **stronger overnight** in an inconsequential and perfectly linear extension of yesterday afternoon's rally. Very little attention was paid to European bond markets, oil or equities. Every sector was marching to its own beat.

That dynamic is still mostly intact, but there's some question now as to whether bonds are taking some cues from oil and stocks. Especially heading into the 9am hour, a **bounce in oil** prices looks to have been the main motivation for bond markets to retrace some of the overnight gains. Both Treasuries and MBS are trying to find their footing before breaking back into yesterday's trading range. For Fannie 3.5's, the pivot point is around 103-04. For 10yr yields, it's closer to 2.22%. We're currently down 1.9bps on the day at 2.206

MBS & Treasury Market Data

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

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

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.09%	+0.07	0.00
15 Yr. Fixed	6.56%	+0.03	0.00
30 Yr. FHA	6.62%	+0.07	0.00
30 Yr. Jumbo	7.35%	+0.04	0.00
5/1 ARM	7.30%	+0.06	0.00

Freddie Mac

30 Yr. Fixed	7.02%	-0.42	0.00
15 Yr. Fixed	6.28%	-0.48	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.08%	-0.10	0.63
15 Yr. Fixed	6.61%	+0.01	0.65
30 Yr. FHA	6.89%	-0.03	0.94
30 Yr. Jumbo	7.22%	-0.09	0.58
5/1 ARM	6.56%	-0.04	0.66

Rates as of: 5/17



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

