



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](#)

MBS Recap: Bonds Demonstrating Some Free Will

Bond markets held their ground today, which is quite the accomplishment considering stocks rallied. Rates and stocks have been **strongly correlated** in 2016 with each noticeably upbeat day in stocks also resulting in a noticeable increase in rates. Today was the first day that broke the mold.

To be fair, in terms of pure correlation (one is moving up while the other is moving up and vice versa), nothing much has changed. Stocks and bonds still spent almost the entire day moving in the **same direction** as one another. The divergence is a product of the magnitude of the moves. In short, bond markets began operating on a much smaller scale after 10am.



Possible reasons for this include bond trader positioning ahead of tomorrow's FOMC announcement, increased volatility in stocks surrounding earnings reports, and the fact that stocks didn't break above yesterday's trading range. Or it could simply be that this week is the first 'month-end' we've had so far in 2016 and some traders are getting an early start on month-end bond buying.

In any event, 10yr yields squeaked by with just a 0.003% decrease and Fannie 3.0 MBS were up 3 ticks by the close. The S&P gained more than 26 points.

Subscribe to my newsletter online at:

<http://housingnewsletters.com/richhomeloans>

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.63	+0.02
MBS GNMA 6.0	100.78	+0.04
10 YR Treasury	4.2720	-0.0098
30 YR Treasury	4.4600	-0.0257

Pricing as of: 7/8 3:54PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.01%	-0.02	0.00
15 Yr. Fixed	6.41%	-0.03	0.00
30 Yr. FHA	6.48%	-0.02	0.00
30 Yr. Jumbo	7.22%	-0.02	0.00
5/1 ARM	7.03%	-0.02	0.00
Freddie Mac			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	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: 7/8

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

