



**Rich E. Blanchard**

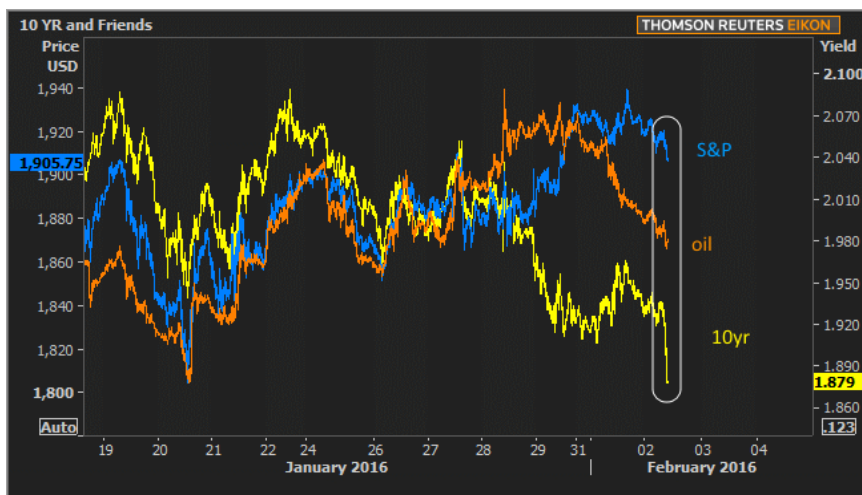
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## MBS Recap: Just Another 2016 Mega-Rally Surprise

Surprise! It's another mega-rally day. Depending on your yardstick, this is the **5th or 6th** mega rally so far this year. Considering there have only been 21 business days, that's a pretty good batting average.

To be fair, today's was actually the biggest day-over-day gain, and it takes us to the strongest levels since April 2015. But wait, there's more. Today's rally wasn't nearly so beholden to stocks and oil as other mega-rallies have been. Bond markets moved into stronger territory of their own volition. It's not that stocks and oil didn't corroborate the move--just that bonds were already well on their way, and they vastly **outperformed** the amount of gains that the stock/oil weakness would typically suggest. This chart appeared in a mid-day update on MBS Live, but it captures the phenomenon well:



That's the sort of thing that just doesn't happen unless the bond market has its own specific reasons for moving. While there's no convenient list of reasons published on the back page of the evening times, there are a few usual suspects among traders. These primarily include the technical/tradeflow based accounts that can take trading cues from the trading itself (as opposed to the fundamental economic and market data). In other words, "**momentum in trading positions**" (snowball buying) was a factor.

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## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.66	<b>+0.05</b>
MBS GNMA 6.0	100.73	<b>-0.01</b>
10 YR Treasury	4.2700	<b>-0.0118</b>
30 YR Treasury	4.4618	<b>-0.0239</b>

Pricing as of: 7/8 2:00PM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.01%	<b>-0.02</b>	0.00
15 Yr. Fixed	6.41%	<b>-0.03</b>	0.00
30 Yr. FHA	6.48%	<b>-0.02</b>	0.00
30 Yr. Jumbo	7.22%	<b>-0.02</b>	0.00
5/1 ARM	7.03%	<b>-0.02</b>	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	<b>+0.09</b>	0.00
15 Yr. Fixed	6.25%	<b>+0.09</b>	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.03%	<b>+0.09</b>	0.62
15 Yr. Fixed	6.56%	<b>+0.09</b>	0.54
30 Yr. FHA	6.90%	<b>+0.11</b>	0.95
30 Yr. Jumbo	7.11%	<b>-0.01</b>	0.50
5/1 ARM	6.38%	<b>+0.11</b>	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.

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