



## Rich E. Blanchard

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## MBS Recap: Positive Week Leaves Bonds on Edge

- 5 straight days of lower closing yields in Treasuries
- Almost 5 straight days of higher closes for MBS
- In both cases, 90%+ of the gains followed the Fed
- Bonds weren't the only winners so "the game" remains undecided

Individually, there was nothing special about any given day this week for bond markets, except Wednesday's FOMC day. We began the week near the **weakest** levels since January and proceeded to trade mostly sideways heading into Fed day. On Fed day itself, bonds were weaker in the morning, with MBS prices briefly hitting the lowest levels since January 22nd.

Post-Fed, **things changed**. Easy Fed policy is rally fuel for both stocks and bonds, at least in the short term. We haven't yet gotten to the decision points on longer-term shifts. Will this end up being the week that finally ended the month-long selling spree that began with February 11th's rally burn-out?

As I discuss in the attached video, we're **right on the edge** of a technical confirmation of just such a trend shift. Multiple technical studies are in the same equivocal territory. Just... a little... more... is all we need to confirm a shift in tone.

It's not all confusion and equivocation though. We had a **strong show of support** at a relevant technical ceiling in 1.98% (10yr yields). If you feel like taking a risk with that big of a move, you could use that (or something between here and there) as your own personal line in the sand. If yields cross above it, then you can get more defensive. On the other side of the risk spectrum, if you feel like staying defensive, you'd be well within your right to remain so until/unless 10yr yields firmly cross below 1.84%.

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## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.62	+0.01
MBS GNMA 6.0	100.75	+0.01
10 YR Treasury	4.2832	+0.0014
30 YR Treasury	4.4796	-0.0061

Pricing as of: 7/8 9:56AM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.03%	-0.05	0.00
15 Yr. Fixed	6.44%	-0.01	0.00
30 Yr. FHA	6.50%	-0.05	0.00
30 Yr. Jumbo	7.24%	-0.01	0.00
5/1 ARM	7.05%	-0.02	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00
<b>Mortgage Bankers Assoc.</b>			
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: 7/5

## 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**

