



Rich E. Blanchard

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A Message from Rich E. Blanchard:

"What say ye Ms. Yellen?"

The Week Ahead: Light Data Ahead of Fed Week; Yellen's Chance to Address Jobs Report

- Very light economic calendar this week
- Fed Announcement next week
- Yellen speaks later today (jobs data will invariably come up)
- bond yields already near range boundary, but this time with momentum only just beginning to turn

There are two measures of momentum that I've been including in most of 2016's chart: fast and slow stochastics. These technical studies that examine where yields (or prices) are currently trading relative to an arbitrary recent range. The closer today's yields are to recent lows, the stronger the momentum indication will be. In fast stochastics, low yields generate more immediate momentum signals. In slow stochastics, it takes more successive days near low yields to generate positive momentum signals.

In each of the last two rally cycles, yields have hit the bottom end of their trend with stochastics doing the same thing. **In both cases**, fast stochastics had already made it to their strongest levels while slow stochastics were getting fairly close to their best levels. Both of these instances can be seen in the vertical white lines in the following chart. This time around, however, the momentum indicators are just starting to turn as yields are already hitting the lower end of the range.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	+0.22
MBS GNMA 6.0	100.74	+0.21
10 YR Treasury	4.3145	+0.0327
30 YR Treasury	4.5079	+0.0222

Pricing as of: 7/8 5:49AM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
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
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: 7/5

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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

