



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](#)

The Day Ahead: Coming to Terms With Underlying Reasons For All This Crazy

- Bond markets enter domestic session at new all-time low yields
- Yet again, there are no stand-out, individual motivations
- All about the big picture global growth concerns
- How low can ya go?

Another day, another **record low yield** in US 10yr yields. In fact, almost everyone's 10yr yield (or any other maturity) is at record lows as global bond markets continue manifesting the new normal of "global growth concerns." And that's what it's all about, as opposed to some specific event of huge importance.

If that sounds like a bit of a head-scratcher in light of all the Brexit-related headlines over the past two weeks, not to worry! Brexit definitely played a big role in the most recent act of the bigger-picture drama. But markets have quickly moved on to having their own life. Treasury and stock movements are clearly occurring independent of Brexit-related trading. In fact, Brexit is **already a fading memory** in terms of market motivations, despite serving an important role in helping bonds break some psychological and technical barriers.

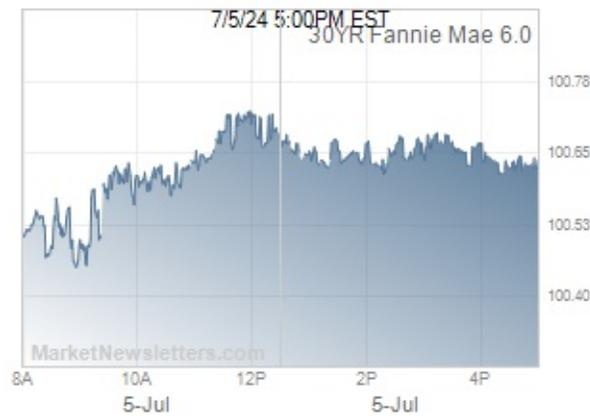
All that having been said, you'll likely **continue** to see Brexit headlines for 2 reasons. First, some of the headlines will be backward-looking--be it intentionally or simply because they're behind the times. Second, and more importantly, the big picture realities are a lot to take in for the average analyst/journalist. The kinds of things that need to be said about the current state of markets and the economy are historically reserved for **fringy crackpots** or cocaine-induced attempts to shoot the moon in terms of market prediction.

In other words, if you haven't come to terms with the **fringy crackpot clues** I've been dropping since rates found a ceiling in mid-2015, or if you haven't found another reason to be incredibly bearish on the long term outlook for the global economy, everything that's happening right now might be too much to swallow without a scapegoat.

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	4.2969	+0.0151
30 YR Treasury	4.4900	+0.0043

Pricing as of: 7/8 3:53AM 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

Paradoxically, as soon as more people come to terms with these realities, it will be time for the early adopters of the "global growth concern" trade to book their profits, thus making for the **first noticeable correction** to the post-Brexit rally. Short term technicals suggest the risk of such a pull-back has ripened, but longer term technicals suggest the fruit is still on the tree for now. It could happen today, or it might not happen until next week. The bigger question is whether or not it's a shallow, forced correction, or something that actually hurts enough to make us rethink the new normal.

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

