



## 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](mailto:richblanchard@richhomeloans.com)

[View My Website](#)

## MBS Recap: Bonds Cheer Weak GDP and Month-End Momentum

Heading into the close at much stronger levels this afternoon, it would be easy to overlook the fact that bond markets were weaker overnight (following the Bank of Japan's underwhelming policy announcement) and **remained in weaker territory** right up to the 8:30am GDP release. Who knows how momentum would have shaped up had GDP come in stronger than expected?

While a weaker economy is unfortunate, its effect on interest rates is the opposite. **Bonds rallied purposefully** after the +1.2 vs +2.6 percent GDP miss (not to mention the revision to the previous quarter from 1.1 to 0.8), coasting to a sideways and slightly stronger stop in the early afternoon. Things stayed sideways until 2pm, at which point **month-end bond buying** momentum took over, nearly matching the strength of the post-GDP gains.

10yr yields hit 1.453 at the 3pm close and fannie 3.0s were up a quarter point to 104-03. Next week brings a slew of economic data, including NFP on Friday.

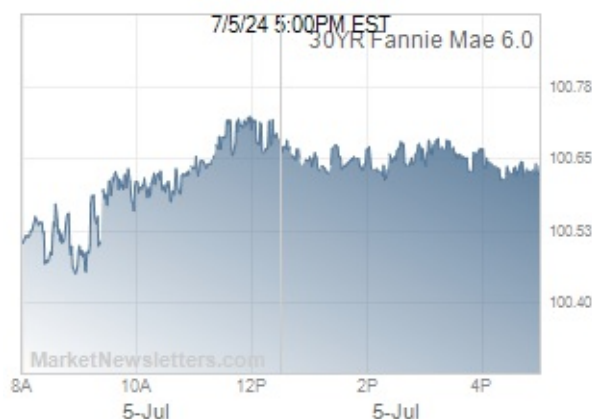
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## MBS & Treasury Market Data

	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	4.4966	+0.0109

Pricing as of: 7/8 1:54AM 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**

