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## MBS Recap: Bonds Pushed Up Against Uncomfortable Ceiling

Bond markets were already fairly close to the important technical levels near 1.75% (10yr yields) earlier this morning, and they continued getting **pushed into that ceiling** as the day progressed. To be sure, this had little or nothing to do with the strong-than-expected Jobless Claims data this morning.

The **biggest source of inspiration** in the morning was a set of headlines from a European Central Bank official who cryptically suggested they might indeed be considering adjusting their asset purchases. Later in the day, ECB Vice President Constancio would forcefully refute that interpretation, but markets only believed him for about an hour. Bonds subsequently sold off to even weaker levels by the 3pm CME close.

Tomorrow brings the Employment Situation (NFP, jobs report, etc.). This doesn't strike me as a situation where anything but a very big beat/miss will be relevant in the bigger picture. Markets are primarily concerned with the overall QE stance among global central banks. The Fed is very likely on track to hike in December and it would take an **exceptionally bad** NFP to call that into question. Conversely, and **exceptionally strong** NFP could cement the idea in traders' minds and thus serve as the cue for yields to break through recent ceilings.

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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	4.2808	-0.0010
30 YR Treasury	4.4721	-0.0136

Pricing as of: 7/7 7:37PM 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**

