



## Rich E. Blanchard

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## The Day Ahead: Empty Calendar and Holiday Leave Focus on Election

In terms of scheduled economic data and events, this week is almost completely barren. In addition, **Friday is Veteran's Day**, and no matter what any economic calendar or website says, bond markets are closed on Friday. Case in point, several of the most popular economic calendars on the web say "banks closed, markets open" on Friday, but "markets," in this case, doesn't refer to bond markets.

If we want to know when bond markets are open and closed (or closing early), there is an **official source: SIFMA**. (Spoiler Alert: clicking on that link reveals that bond markets are fully closed on Friday, November 11th, 2016). As a reminder, if bond markets and banks are closed on Friday, adjust your compliance and rescission timing assumptions accordingly.

Bottom line, it's a 4-day week, and there is **nothing on the econ calendar**. And I don't use the term "nothing" lightly here. There are literally ZERO economic reports with market moving potential. **Treasury auctions** are somewhat of an exception. While not an economic report, per se, they do amount to "calendar events with some market movement potential."

That said, the Treasury impact is likely to be more of a **generalized phenomenon** that adds pressure through Wednesday. If Wednesday's 10yr auction is strong, markets will assume there's enough demand for the longer end of the yield curve, and we can dismiss the notion of additional, generalized bond market pressure. Until then, the fact that markets are faced with big chunks of additional supply during a very uncertain week means that buyers will be hesitant.

Weekend headlines regarding the FBI dropping the Clinton case (improving Clinton's electoral standing) **further add to hesitation** among bond buyers. The highest recent yields were achieved just before the FBI re-opened the email case in late October. Bonds rallied on a "flight-to-safety" bid due to the uncertainty associated with a Trump victory. Weekend headlines are causing that move to unwind as the week begins.

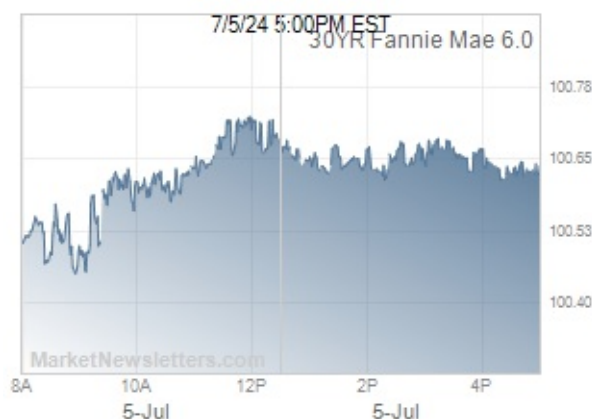
In the event this weakness continues, any 10yr yield under, say, **1.88%** means that bond markets are holding their ground fairly well. Yields would need to break below **1.77%** in order to make a positive statement about momentum.

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## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	<b>+0.22</b>
MBS GNMA 6.0	100.74	<b>+0.21</b>
10 YR Treasury	4.2818	<b>-0.0784</b>
30 YR Treasury	4.4857	<b>-0.0440</b>

Pricing as of: 7/5 5:59PM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.03%	<b>-0.05</b>	0.00
15 Yr. Fixed	6.44%	<b>-0.01</b>	0.00
30 Yr. FHA	6.50%	<b>-0.05</b>	0.00
30 Yr. Jumbo	7.24%	<b>-0.01</b>	0.00
5/1 ARM	7.05%	<b>-0.02</b>	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	<b>+0.09</b>	0.00
15 Yr. Fixed	6.25%	<b>+0.09</b>	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.03%	<b>+0.09</b>	0.62
15 Yr. Fixed	6.56%	<b>+0.09</b>	0.54
30 Yr. FHA	6.90%	<b>+0.11</b>	0.95
30 Yr. Jumbo	7.11%	<b>-0.01</b>	0.50
5/1 ARM	6.38%	<b>+0.11</b>	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**

