



**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](#)

## The Day Ahead: Can NFP Help Bond Buyers Catch The Falling Knife?

Have you heard the one about the falling knife? And how no one wants to catch it? That's one of the market's favorite analogies for the fear experienced by potential buyers of an asset whose price has fallen so rapidly that it "surely must entice demand soon."

It's true enough that analysts, traders, and casual observers can all look at the current pace of bond market weakness and conclude that buyers "have to" be ready to pounce some time soon. But it's one thing to conclude and another to put money on the table--especially when putting money on the table could get very expensive very quickly if your timing is off. Mistiming the catching of falling knives results in mutilated hands and fingers. That's why no one wants to catch them.

Historically, things like NFP Friday offer **fantastic opportunities** to catch falling knives. Naturally, NFP would have to avoid being awesome if we have a chance to see such a thing, but it doesn't need to fall flat on its face. The post-NFP trading environment is simply active enough that it tends to lower the floodgates of previously restrained trading momentum.

Notice though, that I said "historically" and "tends to." This was not by accident. Due to several near-term, big picture wild cards (Italian referendum this weekend and ECB announcement next weekend) as well as the obvious longer-term wild card of 2017's fiscal policies, today's NFP has a higher than normal chance of falling on deaf ears. That **could be a great thing**--a vote in favor of catching falling knives--if NFP is stronger than expected and bonds still manage to hold under critical support levels (2.47 and 2.50% in 10yr yields). But it would be a frustrating thing if NFP is weaker than expected and bonds fail to break below critical resistance levels (2.42 and 2.35% in 10yr yields).

## 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	4.2818	-0.0784
30 YR Treasury	4.4857	-0.0440

Pricing as of: 7/5 5:59PM 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



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

