



## Rich E. Blanchard

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## MBS Recap: Big Short-Covering Rally Ahead of ECB

"Big" is a relative term these days, to be sure. In fact, **4.8bps** in 10yr yields and **10/32nds** in Fannie 3.5 MBS prices isn't too terribly big, but it was nonetheless one of the 2 best days since the election, so we'll take what we can get. Stocks certainly had a much bigger day, launching easily to new all-time highs for most indices.

Before you start celebrating just yet, keep in mind that today's strength has most to do with the fact that traders were **exiting short positions** set in advance of the ECB announcement. It's no mystery that cash moves to the sidelines ahead of these sorts of events, and neither is it a mystery that cash has been voting in favor of higher rates recently. Ergo, a move to the sidelines helps rates fall a bit.

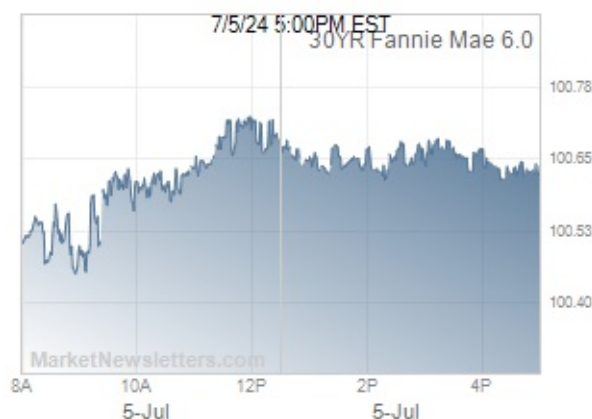
From here, we should assume rates are **ready to head either way** tomorrow depending on the details of the ECB announcement.

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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**

