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**MBS Recap: Holiday Trading Mode Engaged**

"Holiday trading mode" doesn't guarantee uneventful, sideways bond market momentum, but it does up the chances. Actually, it's probably fairer to say that "holiday mode" means trading **doesn't have to make sense**. Liquidity and participation get light and strange. Some moments might see active trading with ample liquidity, while other moments, it's like a ghost town.

Those ebbs and flows of liquidity can grease the skids for quicker moves between the highs and lows, but that's where "holiday mode" has your back: it helps keep a lid on the highs at the expense of a bit of a floor on the lows. A quick glance at the 5-day chart makes the holiday "ledge" **quite obvious**. Heck, I don't even need to put trendlines on the past 2 days to illustrate the point:

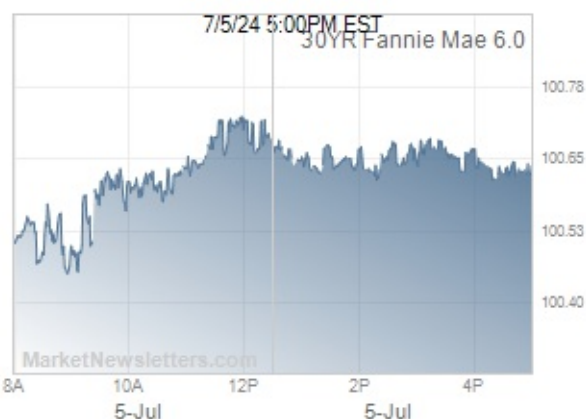


There was some volatility (friendly) heading into the noon hour. A story about China "seizing a US naval vessel" ended up getting a ton of credit for that volatility. That is an awfully big stretch if you ask me. If we were breaking outside the holiday ledge seen above, sure... maybe that would be something to talk about. But any "news" that merely results in more ledge-bound bouncing isn't really news. Still, if you want to explain to your friends and colleagues that bonds managed to recover from morning weakness today because a story about **China netting an unmanned science sub** came out

**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

several minutes after the move was already underway, I won't get in your way.

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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.

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