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## MBS Recap: Strong, Uneventful December Monday

There will definitely be a theme in the recap commentary for the rest of the year: holidays! It's hard to quantify exactly what the holiday season does to financial markets, but most obviously, **volume and liquidity** wane. As long as no imbalances crop up, that can be a recipe for boring trading. But if the scales are tipped too far in one direction, the movement can be quicker.

Today saw **a few examples** of this phenomenon. Earlier this morning, buyers gained the upper hand on a flurry of short-covering. This helped bonds start the day in stronger territory. Late day strength in European bond markets helped Treasuries and MBS go into the noon hour at the day's best levels.

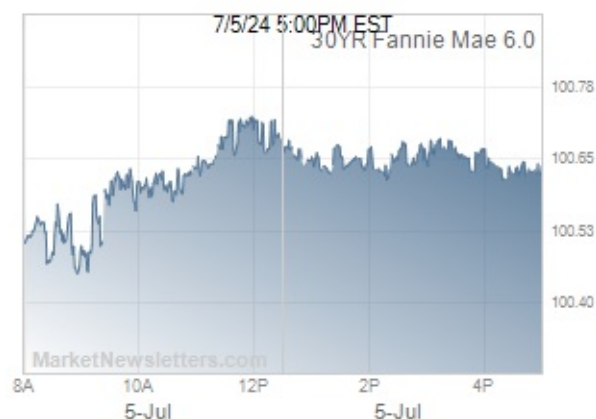
True to most analysts' outlook for today, the only notable event was **Yellen's 1:30pm speech**. The speech itself was uneventful, but it's all markets had to trade. So they traded it! Yellen probably could have said anything, but market participants quickly chose to focus on a comments about the labor market being the strongest in a decade and wage pressure increasing. It's nothing we didn't already know, but it caused a brief selling spree nonetheless. Bonds recovered heading into the 3pm CME close, and thus ended up logging one of their better says since the election.

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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

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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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