



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
[View My Website](#)

The Day Ahead: The Trend is Not Our Friend

The winter holiday season can be defined a few different ways. Most broadly, it refers to Thanksgiving through President's day. That's a bit **too broad**, however, if we're trying to differentiate the type of market movement seen based on holiday-related factors. The most narrow construction would simply be the Christmas-New Years time frame, but this is just a bit **too narrow**.

The happy medium is a time frame that attempts to capture the mass migration of market participation on any given year. This year, the last major tradeable event of 2016--December's Fed Meeting--served as the starting point for the market's holiday season. That much was clear, and the mid-December Fed meeting will **almost always** fill the same role on years where markets are tuned in to what the Fed is saying.

As for markets tuning back in after the holiday season, that part was open for debate. For some traders, it could be the very first week of the new year. Others use the week after MLK weekend to get back to more serious business. On most years, some combination of those two time frames will market the **return of strong participation** (and thus, the end of the holiday time frame that can end up NOT fitting in with the adjacent themes).

This year, of course, we had the inauguration. Market participants knew what Trump SAID before taking office, but many wanted to see what he'd actually DO. Just before the inauguration, we also had a hotly anticipated speech from Yellen that allowed her to double down on the Fed's mid-December message. These two events have served as a **green light** to pick up the new year's trading right where 2016 left off before the holiday season. For now, that's pointed in an unfriendly direction. We'd need to see a bounce at one of the two technical levels in the following chart or at the top of the trend channel in order for this trend to even be challenged.

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
Mortgage News Daily			
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
Freddie Mac			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00
Mortgage Bankers Assoc.			
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



While there are several economic reports today (Jobless Claims, just out at 259k vs 247k, and New Home Sales coming out at 10am) and the 7yr auction at 1pm, **none of these** are up to the task of shaping the big picture trend. Market participants are making big-picture decisions that won't be changed by individual points of data. In other words, we're at the mercy of whatever markets decide, and simply waiting for a verdict. For now, the trend is not our friend.

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

