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## UPDATE: Treasury Weakness May Spill-Over Into MBS

Treasuries have been trending **weaker** this morning--especially longer-dated Treasuries (like 10yr notes and 30yr bonds). This is somewhat understandable given that they're 2 of the stars of this week's Treasury **auction** supply, but they're also under pressure from a healthy slate of **corporate bond issuance** this morning. ([Here's the primer](#) on how corporate bonds affect Treasuries/MBS/rates).

**MBS** have been doing a **great job** holding steady despite the persistent weakness in Treasuries. Fannie 3.5s haven't dipped below 101-27 despite several bounces. During the same time that MBS have been holding that ground, 10yr yields have risen 2bps and are at the day's highs currently.

There is **only so much** of this that MBS will be willing to take before they fall **below 101-27** and possibly add a few more ticks of weakness. 10yr yields are at 2.491 currently and there's a small intermediate pivot point just overhead at 2.495. If that's broken, MBS will likely lose at least enough tick. At that point, we'd start to consider negative reprices for early/aggressive lenders.



### 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
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#### 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

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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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