



## Rich E. Blanchard

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## UPDATE: From Unchanged to Slightly Stronger in First Hour

Bond markets moved from 'unchanged' around 8am this morning to 'slightly stronger' currently. 10yr yields are down about 2 bps at 2.144 and Fannie 3.5 MBS are up 3/32nds of a point at 103-07 (+0.08 at 103.20). Bonds don't need any particular reason for the strength--not this week and not under current circumstances.

Why is that, you might ask? **Several reasons:**

1. **The range is narrow**, and any movement that occurs inside that range is inconsequential. Yields could move from 2.19 to 2.14 (or vice versa) and it wouldn't mean much unless it was followed by a breakout
2. We're **approaching month/quarter-end**, and there will be seemingly random tradeflows that arise solely due to month-end repositioning needs among money managers
3. There isn't really any **significant, tradeable data** or headlines to blame/credit for the market movement. Even some analysts are citing oil prices as a motivation for bond markets. I'm still not seeing it (oil prices have lost roughly 10% since June 2nd and yields are unchanged over the same time. How is that correlation? 10% is a BIG move in any market).

As stated in the [Day Ahead](#), all we can really do is watch our range boundaries and wait for a break that we **might not see** until next week. We'll bring you any and all relevant updates if things change, if some interesting correlation jumps out at us, or if the random and inconsequential volatility plays out in such a way as to warrant negative reprice risk. Otherwise, summertime cruise control is engaged.

## 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

### Freddie Mac

30 Yr. Fixed	6.95%	<b>+0.09</b>	0.00
15 Yr. Fixed	6.25%	<b>+0.09</b>	0.00

### Mortgage Bankers Assoc.

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.

**Rich E. Blanchard**

