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## The Day Ahead: Still Vetting The Big-Picture Shelf. Still Waiting For Next Move

With each passing day this week, bonds do more to prove that the low yields achieved during the Italian panic were more than the mere byproduct of a safe-haven snowball rally. We saw intraday lows just over 2.82% on Wednesday. these line up with the intraday lows from May 31st--the first day that bonds weren't in the throes of a high-volume, high-volatility response to Italy.

Although bonds would ultimately go on to lose ground in early June, much of that had to do with positioning for the big central bank announcements. Ever since then, we've been rallying again. But even if we weren't rallying... even if we were merely holding under, say, 3.0% in 10yr yields, the first half of 2018 would **still** look like **one big sideways consolidation** after more than a year of heavy selling.

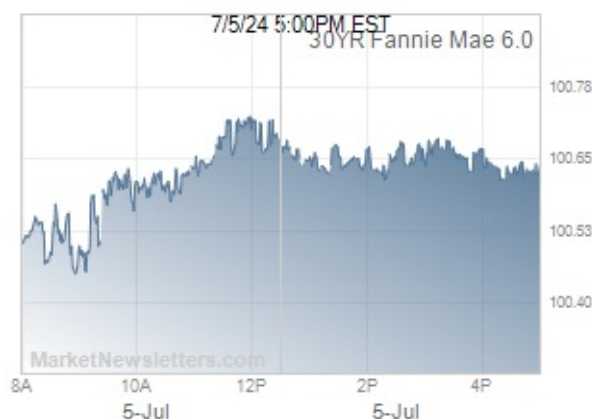


The more we can press back toward those post-Italy low yields, the more bonds will be **vetting that broader consolidation** in 2018. It's not until we break below those post-Italy lows that bonds would be suggesting that something **new and different** is happening.

## 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

Considering tomorrow is the **last day of the month** and that we suspect "month-end trading" has played a role in recent strength, I'd personally want to see 10yr yields under 2.8% next week before getting too excited about where we might be going in the shorter-term.

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## 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**

