

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

## Bond Markets Take a Hit as Fed Continues Cutting Purchase Amounts

There was a sharp sell-off in the bond market on Friday afternoon--at least relative to the day's relatively calm trading patterns--as the Fed once again announced an **updated bond buying schedule** for the following week. It was a repeat of a similar performance seen at the end of last week when the Fed cut Treasury purchase limits from \$50 bln per day to \$30 bln. The Fed's mortgage purchases walked a similar path, falling to \$15.5bln / day this week from \$25bln / day for most of last week (and \$40bln the week before that).

Today's cut to Treasury purchases was notable because it was the first time the amount fell by at least 50%. Specifically, the Fed will now cap buying at \$15 bln per day in Treasuries versus this week's \$30bln daily total. MBS purchase limits were pared to a range of \$8.9-10.6 bln per day--a far cry from the \$50bln/day seen 3 weeks ago.

It's not that bond markets weren't expecting the Fed to continue pruning its buying schedule. Rather, the adjustment was a bit **bigger than anticipated**. As such, the market reaction was fairly quick, but not excessive in the bigger picture. 10yr yields moved from .61% to just over .65% on the news and 2.5 UMBS coupons dropped less than a quarter point.

Here are links for the buying schedules:

#### **MBS**

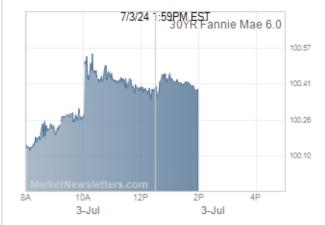
#### **Treasuries**

Subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans

### MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.39	+0.19
MBS GNMA 6.0	100.53	+0.14
10 YR Treasury	4.3602	-0.0724
30 YR Treasury	4.5297	-0.0761

Pricing as of: 7/3 5:59PM EST



## Average Mortgage Rates

7. Trende Priorigage Rates				
	Rate	Change	Points	
Mortgage News	Daily			
30 Yr. Fixed	7.08%	-0.05	0.00	
15 Yr. Fixed	6.45%	-0.02	0.00	
30 Yr. FHA	6.55%	-0.05	0.00	
30 Yr. Jumbo	7.25%	-0.04	0.00	
5/1 ARM	7.07%	-0.03	0.00	
Freddie Mac				
30 Yr. Fixed	6.86%	-0.01	0.00	
15 Yr. Fixed	6.16%	+0.03	0.00	
Mortgage Banke	rs 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: 7/3				

© 2024 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

# **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



© 2024 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.