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UPDATE: No Reaction to Jobs Numbers or ECB Press Conference

- Jobless Claims
 - 3.839m vs 3.500m forecast, 4.442m previously
- Continued Claims
 - 17.992m vs 19.238m forecast, 15.818m previously
- Core PCE inflation
 - 1.7 vs 1.6 forecast, 1.8 previously
- Consumer Spending (March)
 - -7.5 vs -5.0 forecast, +0.2 previously

With "the consumer" being touted as the backbone of the economy heading into coronavirus, it's a sign of the times to see March consumer spending down -7.5% in this morning's Incomes/Outlays data. On the other hand, 7.5% might look pretty tame next to indicators like today's announcement that more than 20 million people are collecting unemployment (3.839 million initial claims + 17.992m continued claims).

Financial markets are already well aware of the script, however, and thus have little to say to express surprise or much of a reaction. Even ECB President Lagarde's warning of negative 15% Q2 growth (in the ECB press conference just now) isn't doing much to stir the pot. That said, European markets have probably been slightly beneficial for bonds in the US this morning. I say probably because there's very little correlation to observe, but if we had to make a case, it would be for lower EU yields to be inviting modest gains in US yields.

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

	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

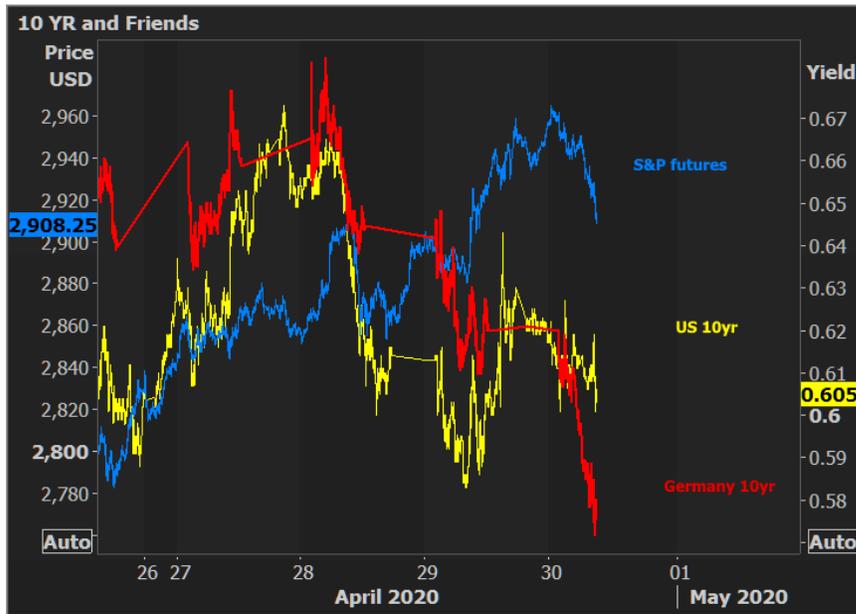
Freddie Mac

30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00

Mortgage 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: 7/3



10yr yields are down 2.5bps at .603 and UMBS 2.5 coupons are up 2 ticks (.06) at 104-05 (104.16). The only other significant data on tap is the 9:45am Chicago PMI, but it stands no more or less of a chance to inspire volatility than anything else we've seen this morning.



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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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