

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

ALERT: Treasury Refunding Announcement Hitting Bonds

Treasury's quarterly refunding announcement is hitting bonds. Here are a few details (bad ones highlighted):

- TREASURY SAYS OVER THE NEXT QUARTER CASH BALANCE WILL LIKELY REMAIN ELEVATED AS IT SEEKS TO MAINTAIN PRUDENT LIQUIDITY
- TREASURY SAYS IT EXPECTS TO BEGIN TO SHIFT FINANCING FROM BILLS TO LONGER-DATED TENORS OVER THE COMING OUARTERS
- TREASURY SAYS INTENDS TO INCREASE AUCTION SIZES ACROSS ALL NOMINAL COUPON TENORS OVER THE MAY-TO-JULY OUARTER
- TREASURY SAYS INCREASE IN COUPON ISSUANCE WILL BE LARGER IN LONGER TENORS
- TREASURY SAYS ANTICIPATES THE INITIAL OFFERING SIZE OF THE NEW 20-YEAR BOND WILL BE \$20 BLN AND THAT THE AUCTION WILL TAKE PLACE ON MAY 20

The emphasized bullet points are not what the bond market wanted to see. The fear of such things was largely behind the increasingly weak trading we've seen in recent days. Yields moved quickly higher, with 10s up 5.1bps at 0.713%.

MBS are less concerned as they are less directly affected. 2.5 UMBS are down only 2 ticks (0.06) on the day at 103-26 (103.80).

Sending this out as an alert due to momentum implications (i.e. a risk that this keeps weakness intact as traders reposition portfolios throughout the day). MBS still wouldn't be as concerned, but they'd still be more predisposed to weakness vs strength

MBS & Treasury Market Data

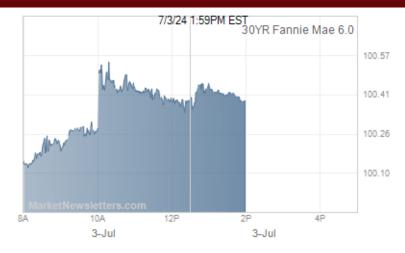
	Price / Yield	Change
MBS UMBS 6.0	100.39	+0.19
MBS GNMA 6.0	100.53	+0.14
10 YR Treasury	4.3602	-0.0724
30 YR Treasury	4.5297	-0.0761
Pricing as of: 7/3 5:59PM EST		

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 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 mortgage market alert is a service of MarketNewsletters.com and MBS Live.

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.



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

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

