



**Rich E. Blanchard**

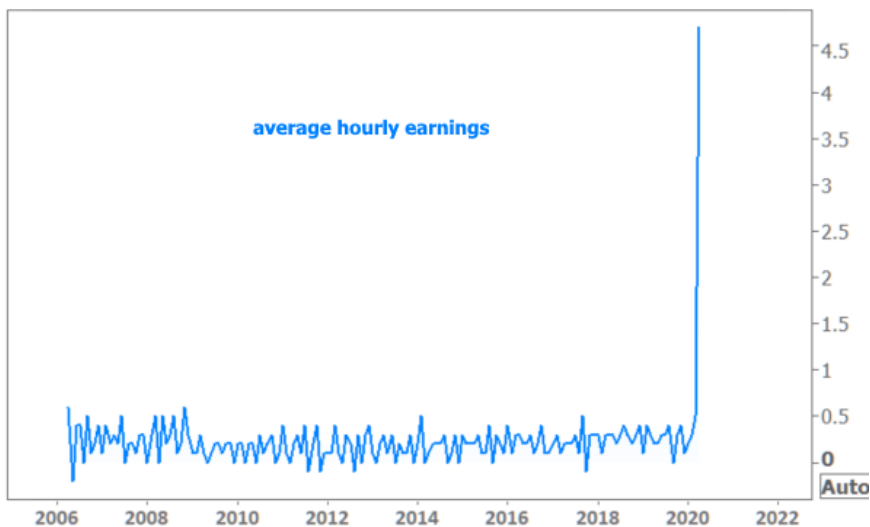
Managing Director, RICH Home Loans LLC  
 NMLS: 492461  
 1550 Wewatta St., 2nd Floor Denver, CO 80202

Office: 720.619.9900  
 Mobile: 303.328.7047  
 Fax: 214.975.2874  
[richblanchard@richhomeloans.com](mailto:richblanchard@richhomeloans.com)  
[View My Website](#)

**UPDATE: Some Surprises in Jobs Data**

- Nonfarm payrolls
  - -20.5m vs -22m forecast
- Unemployment Rate
  - 14.7% vs 16.0% forecast
- Avg hourly earnings
  - +4.7% vs +0.4% forecast
- Avg Workweek
  - 34.2 hrs vs 33.7 hrs forecast, 34.1 previously

The big story here is the big mismatch between economists' expectations for wage growth and the actual number. 4.7 sounds like a small number, but here's how it looks in the bigger picture (remember, for years we were hoping to see the ANNUAL gain top 3.0%).



The workweek hours were the other big surprise, though not as much of a divergence from past precedent. Taken together, they suggest there's more work out there than expected, even if the overall situation is still pretty terrible. The lower-than-expected unemployment rate makes a similar suggestion as that's based on a survey of households rather than an official tally from employers. In other words, fewer people view themselves as unemployed than employer payroll counts suggest (not a surprise given the decrease in the labor force participation rate. If everyone who HAD considered themselves part of the labor force had been included, unemployment would be much higher.

**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
<b>Mortgage News Daily</b>			
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
<b>Freddie Mac</b>			
30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	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: 7/3

Either way, the bond market is reacting to the numbers as a positive economic anecdote (RELATIVELY). 10yr yields are up 2bps at .659 and UMBS 2.5 coupons are roughly unchanged about an eighth of a point shy of 104.00.



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**

