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## MBS Recap: Timing of Today's Volatility Could Create Some Opportunity

MBS Recap

Matthew Graham | 6/1/2020 2:55 PM

There's no way to predict the future for rates and markets, but there are occasionally tactical opportunities. Today's version involves lenders being forced to price rate sheets when MBS had just swung down to the lowest levels of the day. Prices have since bounced. If they were to hold here, lenders have 2 choices: offer improved pricing this afternoon or tomorrow morning.

### Econ Data / Events

- **11:30-11:50 AM (ET) - Fed 30yr UMBS Buying**
- ISM Manufacturing: 43.1 vs 43.6 fcast, 41.5 prev

### Market Movement Recap

- 10:06 AM Flat at roughly unchanged levels out of the gate, then MBS tanked (moderately) and Treasuries tanked modestly. A portion of that weakness has been recovered in MBS, but Treasuries remain near higher yields.
- 12:31 PM Treasuries jumping in with some gains of their own now at the end of European trading hours (little else to pin it on besides the change in cash flow between trading sessions). MBS are holding unchanged levels. Stocks are at the highs of the day, but not yet back to overnight highs.

### 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

02:53 PM MBS at the best levels of the day now, up 3 ticks (0.09) as 10yr yields plod back toward the day's lows. All this despite stocks doing fairly well. No specific market mover driving the action. Money is just flowing in on the first day of the month (and it doesn't take much considering the narrow range and limited liquidity in MBS).

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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.

**Rich E. Blanchard**

