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## MBS Recap: Bonds Suddenly Wondering if They've Been Too Gloomy on The Economy

Bonds haven't been interested in econ data because none of it has had the ability to tell much of a story. Today's ADP Employment report is arguably an exception as it was staggeringly stronger than expected. Other data surprised to the upside, stocks set more multi-month highs, and bonds suddenly find themselves on the run.

### Econ Data / Events

- **11:30-11:50 AM (ET) - Fed 30yr UMBS Buying**
- ADP Employment: -2.760m vs -9.000m f'cast, -19.557m prev
- ISM Non-Manufacturing 45.4 vs 44.0 f'cast, 41.8 previously
- Factory Orders -13.0 vs -14.0 f'cast

### Market Movement Recap

- 08:35 AM** Bonds were modestly weaker overnight and are now under additional pressure after the much stronger-than-expected ADP Employment Report. 10yr yields up nearly 3bps, but MBS outperforming for now, down only 2 ticks (0.06).
- 10:08 AM** Additional losses after the 10am econ data (stronger ISM and factory orders). MBS down a quarter point and 10yr yields up and over the important 0.74% technical ceiling.
- 12:01 PM** Potentially seeing some support now, but only after things got pretty panicky there for a bit. 10yr yields remain over .74 (they were as high as .771). 2.0 UMBS are now down only a quarter point, but had been down nearly half a point at the lows of the morning.
- 02:04 PM** Bonds haven't hit any weaker levels compared to the 10-11am hour, but they've been unable to rebound in any convincing way. 2.0 MBS are still more than a quarter point off and 10yr yields are up 7.4bps at .761.

## MBS & Treasury Market Data

|                | Price / Yield | Change         |
|----------------|---------------|----------------|
| MBS UMBS 6.0   | 100.39        | <b>+0.19</b>   |
| MBS GNMA 6.0   | 100.53        | <b>+0.14</b>   |
| 10 YR Treasury | 4.4296        | <b>-0.0030</b> |
| 30 YR Treasury | 4.5981        | <b>-0.0077</b> |

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



## Average Mortgage Rates

|                                | Rate  | Change       | Points |
|--------------------------------|-------|--------------|--------|
| <b>Mortgage News Daily</b>     |       |              |        |
| 30 Yr. Fixed                   | 7.08% | <b>-0.05</b> | 0.00   |
| 15 Yr. Fixed                   | 6.45% | <b>-0.02</b> | 0.00   |
| 30 Yr. FHA                     | 6.55% | <b>-0.05</b> | 0.00   |
| 30 Yr. Jumbo                   | 7.25% | <b>-0.04</b> | 0.00   |
| 5/1 ARM                        | 7.07% | <b>-0.03</b> | 0.00   |
| <b>Freddie Mac</b>             |       |              |        |
| 30 Yr. Fixed                   | 6.86% | <b>-0.01</b> | 0.00   |
| 15 Yr. Fixed                   | 6.16% | <b>+0.03</b> | 0.00   |
| <b>Mortgage Bankers Assoc.</b> |       |              |        |
| 30 Yr. Fixed                   | 7.03% | <b>+0.09</b> | 0.62   |
| 15 Yr. Fixed                   | 6.56% | <b>+0.09</b> | 0.54   |
| 30 Yr. FHA                     | 6.90% | <b>+0.11</b> | 0.95   |
| 30 Yr. Jumbo                   | 7.11% | <b>-0.01</b> | 0.50   |
| 5/1 ARM                        | 6.38% | <b>+0.11</b> | 0.54   |

Rates as of: 7/3

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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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