



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](#)

MBS Recap: Strong Start and Afternoon Fade for Bonds

It was the first day back from the holiday market delirium and market participants needed a touchstone to kick things off. They found it in the form of manufacturing data out of China. This might not have been too big of a deal had it happened in the middle of the year, but **it was today's muse** for most of the morning.

China's CSI300 index **dropped 7%**, which is the "circuit breaker" level resulting in trading shutting down. Other indices continued to trade... poorly. The weakness in Asian equities markets spilled over into global equities markets. It also translated to strength for safe havens such as US Treasuries.

Domestic bond markets rode that wave **until** European markets closed. At that point, gains began to **evaporate**. The losses were quick enough for several negative reprices in the mortgage world, but day-over-day gains remained intact by the close.

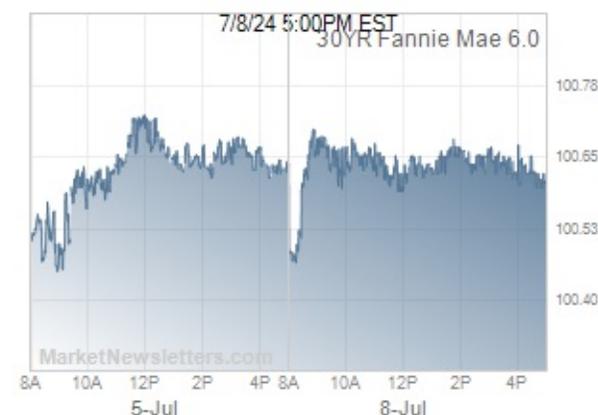
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MBS & Treasury Market Data

| | Price / Yield | Change |
|----------------|---------------|----------------|
| MBS UMBS 6.0 | 100.61 | 0.00 |
| MBS GNMA 6.0 | 100.72 | -0.02 |
| 10 YR Treasury | 4.2798 | -0.0020 |
| 30 YR Treasury | 4.4558 | -0.0299 |

Pricing as of: 7/8 7:57PM EST



Average Mortgage Rates

| | Rate | Change | Points |
|--------------------------------|-------|--------------|--------|
| Mortgage News Daily | | | |
| 30 Yr. Fixed | 7.01% | -0.02 | 0.00 |
| 15 Yr. Fixed | 6.41% | -0.03 | 0.00 |
| 30 Yr. FHA | 6.48% | -0.02 | 0.00 |
| 30 Yr. Jumbo | 7.22% | -0.02 | 0.00 |
| 5/1 ARM | 7.03% | -0.02 | 0.00 |
| Freddie Mac | | | |
| 30 Yr. Fixed | 6.95% | +0.09 | 0.00 |
| 15 Yr. Fixed | 6.25% | +0.09 | 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: 7/8

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