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## MBS Recap: Volatile Day Leaves Bonds Slightly Weaker

Two days ago, we were able to refer to Monday as the best day of the year, as long as you forget about the Friday before it. Today is the new **'best day of the year,'** as long as you forget about yesterday. Even then, it was a fairly close call for MBS, where Fannie 3.0s and 3.5s kept losses at an eighth of a point or less.

Although bond markets ended the day at great levels in the big picture, there was plenty of volatility along the way. Treasuries were **slightly weaker** overnight, keeping pace with equities markets. The domestic morning was uneventful until 10am. ISM Non-Manufacturing came out weak enough to be troubling and bonds rallied to the best levels in 8 months.

Oil inventory data was out at 10:30am and it made for a brief move even lower for oil, stocks and bonds. This was the **pivotal moment** in the day (10:31am was the biggest minute of volume in bonds), and it marked the end of the downward movement in all the aforementioned instruments and the beginning of a long slog back in the other direction.

10yr yields rose nearly 10bps from 1030am to the close, but that turns out to be a more livable 10bps considering we were down 7bps at the time. Bonds were set to do even better than that, but stocks rocketed higher in the afternoon, lifting 10yr yields from 1.85 to 1.88 and **pushing MBS** from slightly positive territory into the red.

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### MBS & Treasury Market Data

|                | Price / Yield | Change         |
|----------------|---------------|----------------|
| MBS UMBS 6.0   | 100.67        | <b>+0.06</b>   |
| MBS GNMA 6.0   | 100.73        | <b>-0.01</b>   |
| 10 YR Treasury | 4.2700        | <b>-0.0118</b> |
| 30 YR Treasury | 4.4618        | <b>-0.0239</b> |

Pricing as of: 7/8 2:00PM EST



### Average Mortgage Rates

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

## 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**

