



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: Bond Markets Unable to Build on Last Week's Momentum

- Last week introduced the possibility that March's bearish trend was reversing
- Today's weakness failed to confirm that reversal
- It's still possible, but there's slightly more reason to be cautious now

Bond markets got a late start in the overnight session with Japanese markets closed for the day. Treasury yields managed to hold mostly flat during European hours but **began rising** when US trading activity began ramping up.

The 8:20am CME pit open was a focal point for **morning volatility**, letting us know that tradeflow considerations were setting the tone. In other words, traders weren't watching news or economic data for market moving guidance at that point in the day. They simply had trades they needed or wanted to make and had been waiting--by choice or necessity--for the CME pit open.

The fact that tradeflows were in control was apparent in the divergence between stocks and bonds. **Both lost ground** simultaneously--something that haven't been too eager to do for most of the year. 10am brought surprisingly downbeat Existing Home Sales data and markets actually responded by moving in logical directions. For stocks, it meant coughing up the modest gains seen since the 9:30am open and for bonds, it meant pulling back from the highest yields of the day (1.924 in terms of 10yr Treasuries).

Although bonds pulled back, they definitely **didn't** move quickly back in the other direction. In fact, 10's never made it back below 1.90, ultimately ending the day at 1.917. Fannie 3.0 MBS lost 10 ticks on the day, ending at 101-24.

There's some chance the day could have gone better in the afternoon, had it not been for comments from Atlanta Fed's Lockhart who said that even April was on the table for a rate hike.

Subscribe to my newsletter online at:

<http://housingnewsletters.com/richhomeloans>

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.67	+0.05
MBS GNMA 6.0	100.75	+0.02
10 YR Treasury	4.2832	+0.0014
30 YR Treasury	4.4782	-0.0075

Pricing as of: 7/8 10:00AM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.03%	-0.05	0.00
15 Yr. Fixed	6.44%	-0.01	0.00
30 Yr. FHA	6.50%	-0.05	0.00
30 Yr. Jumbo	7.24%	-0.01	0.00
5/1 ARM	7.05%	-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: 7/5

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

