



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](#)

The Week Ahead: Bonds Fight Technical Battle With Housing Data in Background

- 2 separate narratives this week: market movement and housing data
- tall order for housing data to drive market movement, except in extreme cases
- markets are more likely to take cues from tradeflows/technicals and external markets

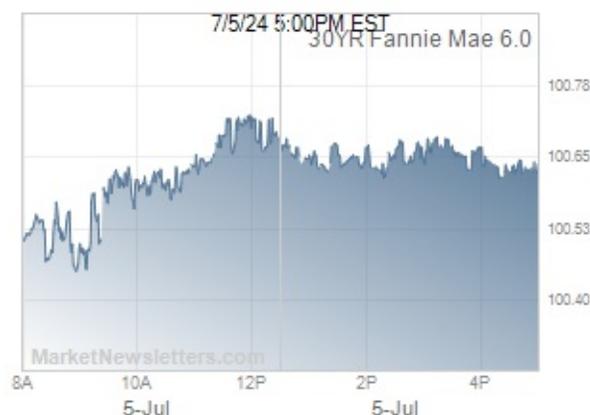
Bond markets spent most of last week breaking out of the month-long downtrend that began after the March 16th FOMC Announcement. Friday's rally came close to **casting doubt** on the negative thesis, but as we discussed, those gains were likely the result of trading positions being closed ahead of the weekend's potential oil-related volatility.

As we begin the current week, we **already have confirmation** regarding the 'tradelow' narrative based simply on the sharp movement in bond yields seen right at the 8:20am CME open.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	+0.22
MBS GNMA 6.0	100.74	+0.21
10 YR Treasury	4.3062	+0.0244
30 YR Treasury	4.5013	+0.0156

Pricing as of: 7/8 7:49AM 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



With bond markets starting out in weaker territory, we will continue to **keep an eye on technical support** levels overhead. These are best tracked with the 2 yields of 1.80 and 1.84 in 10yr Treasuries. Entering that range can be tolerated, but moving through it would amount to "confirmation" that the sideways range is breaking down.



The other narrative this week is the small **glut of housing data**. There is a housing related report every day this week with the exception of Friday. The headliners would be the Housing Starts and Existing Home Sales reports on Tuesday and Wednesday respectively. But even though they're headliners in terms of housing-related economic data, they're not as likely to be headliners when it comes to market movement. The only **exception** would be an extreme beat/miss in one of the reports and even then it would be a tall order.

Subscribe to my newsletter online at: <http://housingnewsletters.com/richhomeloans>

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

