



**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](mailto:richblanchard@richhomeloans.com)  
[View My Website](#)

## The Day Ahead: Europe's Corporate Bond Program Echoes 2015's QE Roll-Out

The last time the European Central Bank officially embarked on a big bond buying campaign, we were a few months into 2015 and US rates had already bottomed out for the year. Bond traders are well acquainted with "buying the rumor" and "selling the news," but in the case of European bond buying, they weren't quite prepared for how much of an effect the supply constraints would have on European bond prices. As such, European yields were able to rally even more when bond buying actually began, despite the seeming to have bottomed out months earlier with the initial confirmation of the program.

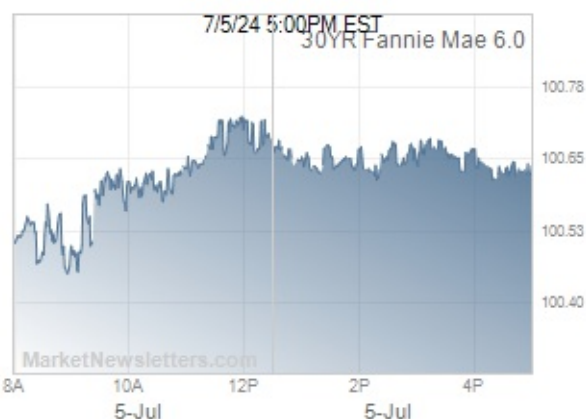


We have to wonder if we're seeing something similar now. Yields bottomed out earlier this year when Europe's new bond buying programs were confirmed. And now they're back in position to push even lower as the program is set to begin. Granted, it wouldn't be as surprising and as meaningful as it was last year, but if it's even remotely similar, it could provide a second wind for a US Treasury market that's seemingly winded with 10yr yields bouncing around 1.70.

## 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	4.3145	+0.0327
30 YR Treasury	4.5079	+0.0222

Pricing as of: 7/8 5:47AM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
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
<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00
<b>Mortgage Bankers Assoc.</b>			
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

There is no significant data on tap today, but there is an important 10yr Treasury auction. With yesterday's 3yr auction a bit weaker than most other Treasury auctions, today's 10yr auction will **give us clues** as to whether demand is cooling for Treasuries overall, or if it's just cooling for the shorter end of the yield curve (more than it already has... which is quite a lot). In other words, maybe investors just want to buy the longer-lasting stuff, as has been the case since the Fed began talking more seriously about hiking rates in mid-2015.

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**

