



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: Another Brutal Sell-Off (Leaving Bonds at 3-Year Lows)

- Bonds rode overnight momentum to best levels in 3+ years
- Stock selling is definitely part of the equation
- Brexit drama now involves murder, which may have moved markets
- Either way, rates and stocks had enough of "moving lower"
- Bonds sold off, but easily maintained 3-year low closing levels

There's intraday and then there's "closing levels"--the official mark that will forever represent today's bond trading on long term charts. Intraday, 10yr yields were as low as 1.518. Moving up from there to 1.58-ish has no doubt been unpleasant, but the unpleasantness is **still an "intraday" phenomenon**. Day-over-day, bonds were unchanged, and today's 3pm closing yields were noticeably stronger than yesterday's closing yields (roughly 3bps lower!). The moral of that story is that things sucked in the middle of the day, but remain solid in the big picture.

That doesn't mean we should be complacent, however. Tragic headlines reminded us today of the level of **anxiety and uncertainty** surrounding the Brexit vote. A British lawmaker (and proponent of the UK remaining in the EU) was murdered today, and the timing of the news roughly coincided with a market reversal. In other words, there's some chance the tragedy could serve to bolster the "remain" camp in the eyes of undecided British voters.

Granted, this is a very long shot, and it certainly wasn't the only source of market movement at the time, but the timing was too coincidental for us to rule out that markets really could be this jumpy.

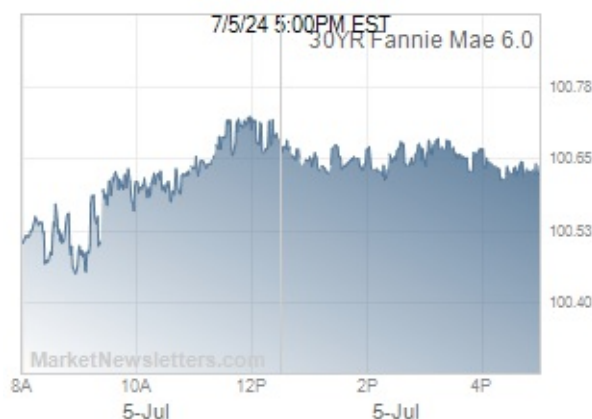
Despite the strong day-over-day close, it would be **prudent** to keep in mind that bond market technicals are increasingly **flashing the early warning signs** of a correction heading into next week's Brexit vote. There's no telling how much momentum such a correction might gather. It probably wouldn't be anything ridiculous, but it could easily be enough to argue against complacency here at multi-year lows.

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

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	4.2974	+0.0156
30 YR Treasury	4.4909	+0.0052

Pricing as of: 7/8 3:50AM 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

