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MBS Recap: Bonds Keep Reasonable Amount of Brexit Mega-Rally

- 10yr yields were as low as 1.406 overnight, but moved up to the mid 1.5's by the close
- MBS were up nearly 7/8ths of a point at their best, but will have to settle for "only" about 5/8ths of a point
- Trading was driven by Brexit, exclusively. Data was ignored
- Too soon to tell how this one will play out, but it's more encouraging than the last mega rally

While we did get some economic data this morning that has historically been important to markets, the only order of the day was to trade in response to Brexit and then to trade in response to those trades. Although we lost quite a bit of ground from the best levels of the overnight session, bond markets nonetheless ended the day in **much stronger territory**, marking their best closing levels in more than 3 years.

The last time bond markets experienced an unexpectedly sharp rally it was the February 11th explosion that signified the end of the mega rally that began 2016. Bonds actually ended that day at **higher** yields than the previous day. This time around, while 10yr yields backed up by a similar amount from intraday lows, they managed to end the day at **much lower** yields than the previous day, not to mention the fact that they held steadier during the domestic session.

All that to say: it's **too soon** to tell if this move will end up having more staying power than the early February move. For now, chances look better based on today's trading, but an additional pull-back isn't out of the question next week.

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MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	0.00
MBS GNMA 6.0	100.78	+0.05
10 YR Treasury	4.2798	-0.0020
30 YR Treasury	4.4646	-0.0211

Pricing as of: 7/8 4:55PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.01%	-0.02	0.00
15 Yr. Fixed	6.41%	-0.03	0.00
30 Yr. FHA	6.48%	-0.02	0.00
30 Yr. Jumbo	7.22%	-0.02	0.00
5/1 ARM	7.03%	-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: 7/8

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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.

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