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## MBS Recap: Bond Sell-Off Continues, Now With 1.53 Times More Anxiety

The very next day after Brexit headlines sunk 10yr yields to long-term lows in late June, we began talking about "1.53%" in 10yr Treasury yields. This was as much weakness as could be mustered before yields continued their journey toward all-time lows. Yields bounced near 1.53 on several subsequent occasions but never broke firmly through. This, then, became our ad-hoc ceiling for yields in the short-medium term.

From the 1.3's last week, rates have risen quickly back to the 1.53 inflection point and stopped there almost perfectly today. That leaves us in a precarious position where any further weakness tomorrow will essentially be making a case for a **more prolonged move higher**, but where we still have the hope that 1.53 can continue to hold as the perfect little ceiling under which rates can continue making sense of the new normal.



In terms of specific events driving today's weakness, the most notable was the 1pm 10yr Treasury auction, which utterly flopped. Apart from that, traders are trading **big-picture themes** as the broad notion of "risk" makes a comeback after its post-Brexit bottom. In other words, things like stocks, European bond yields, oil, and British currency have all been moving higher together.

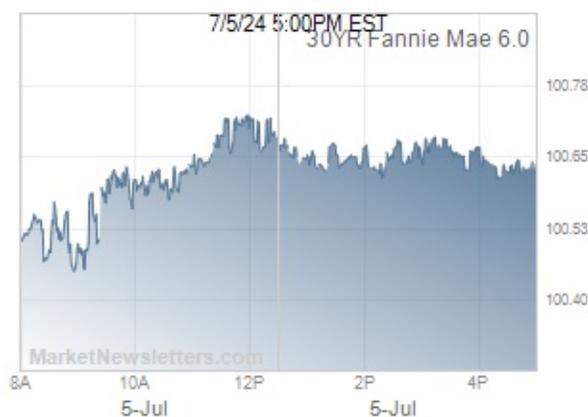
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## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	+0.22
MBS GNMA 6.0	100.74	+0.21
10 YR Treasury	4.2944	+0.0126
30 YR Treasury	4.4881	+0.0024

Pricing as of: 7/8 3:52AM EST



## Average Mortgage Rates

	Rate	Change	Points
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### 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**

