

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 Day Ahead: So What's The "Range-Breaker" Now?

With bond markets having clearly consolidated heading into last week's Jackson Hole speeches and with Jackson hole ultimately **NOT** resulting in a a confirmed break of the consolidative range (see the chart), the next question is logical: If it wasn't the Fed, what will it take to break this range?



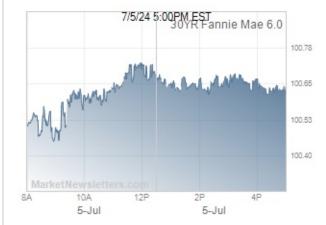
Recall that even before Jackson Hole, we'd discussed the possibility that markets, themselves, don't know what the "range-breaker" will be, but that Jackson Hole was simply the biggest event on the horizon, and that it happened to fall during a time where bonds were **running out of room** to make a decision.

Miraculously, even though it looked like bonds would surely be broken out of this range by now, they're **still hanging on** (see that rightmost candlestick in the chart--that teeny tiny one just near the tip of the triangle?). So now we move on to the next most salient event on the near-term calendar, which is of course Friday's Nonfarm payrolls data.

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	4.2905	+0.0087
30 YR Treasury	4.4876	+0.0019

Pricing as of: 7/7 11:52PM 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 Banke	rs 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			

© 2024 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

I'll admit I'm somewhat puzzled by the pedestal upon which this is being placed by market mavens. Yes, it will be an important iteration of the jobs report, but only inasmuch as it needs to avoid a huge miss in order to keep the Fed rate hike narrative. Several Fed speakers have let their party line slip out, and it's 150k jobs a month. With a a consensus of 180k, it would take a somewhat bigger-than-average miss in order to even discuss the implications of NFP on rate hike potential.

With all that in mind, I'm not as convinced that markets are on the edge of their seats for NFP to the extent suggested by some headlines. The dark horse to be kept in mind is the "month-end" trading environment. There can always be a bit of extra buoyancy for bonds heading into the end of the month (here's why). So perhaps we're just seeing bonds hold on to the range due to that month-end buoyancy and should be a bit more afraid of a breakout.

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

