



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: Corporate Issuance in Focus Again as 'Breakout' Continues

Welcome back to the first potentially significant long-term bounce in interest rates since the first half of 2015. Rates haven't covered as much ground this time around (in terms of either time or losses), but they've at least **chosen the direction** of the breakout from the post-Brexit consolidation.

One **eerie consideration** is the possibility that the breakout of the years first consolidative pattern was purely a function of Brexit, and that the break of the more recent post-Brexit consolidative range is merely the first move in a selling spree that takes us back to path yields were on before Brexit.



Truth be told, bonds **could weaken much more** and still never come close to threatening the ultra-long term trend toward lower yields. In fact, there's so much room to weaken that it doesn't even make sense to talk about it until/unless it starts happening.

The more relevant consideration in the near term is the health and pace of the current selling trend. As of yesterday, it had already reached "oversold" territory in shorter term measures of momentum. This somewhat ambiguous term has at least two meanings. On the one hand, it's a confirmation that things are bad (thanks... we knew). On the other hand, it's the first sign that bonds have reached levels that could motivate a correction.

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	4.2988	+0.0170
30 YR Treasury	4.4933	+0.0076

Pricing as of: 7/7 9:58PM 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



In trying to determine that, we can also keep an eye on longer term momentum, which unfortunately has more room to run. Bottom line: it's not safe to assume that we're **due a bounce** simply because of how much we've lost. It could depend more on economic data beginning tomorrow. As for today, it's already shaping up to be all about **corporate bond issuance**. That means more potential volatility in the middle of the day, through at least 2pm.

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

