



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: Bonds Continue Range-Trade for 5th Straight Day

For the 5th day in a row, the total trading range in Treasuries and MBS fell **inside** the single day range set last Tuesday. Market-watchers consider even ONE so-called "**inside day**" to be significant, and we just had 5. So yeah... markets are on edge about tomorrow's central bank announcements, if for not other reason than to get a read on whether or not the recent rise in yields is justified or merely a knee-jerk reaction to [Draghi's](#) less accommodative tone 2 weeks ago.

While there was an economic report this morning (**Housing Starts and Building Permits** slightly weaker than expected), it didn't move markets. Rather, it was European and Japanese bonds that led the morning rally in US Treasuries and MBS. Once Europe closed for the day, domestic bond markets were left a bit imbalanced and quickly corrected, as can be seen in the chart below of German Bunds and US 10yr yields posted in an [MBS Live](#) update earlier today.



The **weakness subsided** shortly thereafter and bonds managed to end the official hours with moderate gains (10yr yields were 2bps lower at the 3pm CME close and Fannie 3.0s MBS were 3 ticks higher vs yesterday's close). That said, a few lenders were put off enough by the volatility that they **repriced** in the afternoon, but they were the exception.

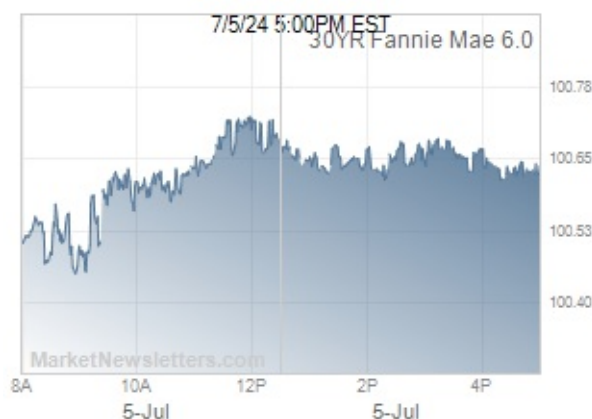
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MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	+0.22
MBS GNMA 6.0	100.74	+0.21
10 YR Treasury	4.3008	+0.0190
30 YR Treasury	4.4951	+0.0094

Pricing as of: 7/7 9:52PM 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 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

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