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## MBS Recap: Bonds Claw Back to 'Unchanged' After Fed Minutes

No one was really sure what the Fed Minutes possibly could have said to **surprise** markets, but that didn't stop traders from pricing-in a bit of defense against the unknown.

What could that unknown have been? After all, we know there's dissent based on the 3 voters that broke from the pack at the meeting. We know that even the Fed's dovish members are talking seriously about hiking by the end of the year. We know that some moderate-to-dovish Fed members have shifted toward a more hawkish tone. And we know the Fed has a **strong recent history** of pulling the trigger on policy changes at the December meeting (QE tapering announcement in 2013 and the rate hike in 2015).

In short, the **only** way things could have been any worse for rates would be if the Fed overtly signalled a November rate hike.

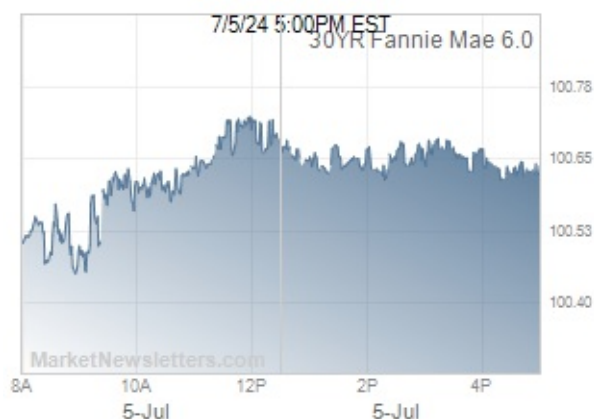
The Fed **did not** overtly signal a November rate hike, and bond markets calmed down nominally. "Calming down" in this context simply means bonds made it most of the way back to unchanged levels after taking another beating overnight at the hands of an ongoing sell-off in European bond markets (British 10yr yields are up roughly 40bps, trough to peak vs a modest-by-comparison 23bps in US 10yr yields).

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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	4.2808	-0.0010
30 YR Treasury	4.4721	-0.0136

Pricing as of: 7/7 7:37PM EST



### Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
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
<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00
<b>Mortgage Bankers Assoc.</b>			
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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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**

