



**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](mailto:richblanchard@richhomeloans.com)  
[View My Website](#)

## MBS Recap: Bonds Manage to Hold Modest Gains

For the third time in the post-election sell-off, bond markets managed modest gains day-over-day. Much like the last 2 times (last Tue and Wed), closing levels kept us in significantly weaker territory relative to a few weeks ago. Rather, these days where 10yr yields fall 3.4bps can hardly be enjoyed when yields moved "down" to 2.314%. In other words, the bigger takeaway from today is that bonds remain in weaker territory with the day-over-day improvement purely a factor of the big, recent losses.

While there were no major economic reports today, several events attempted to move markets. Early in the day, Fed Vice Chair Fischer essentially endorsed Trump's apparent infrastructure spending plans by saying that fiscal policies could "increase the potential of the economy and help confront some of our longer-term economic challenges." Although that sounds important, it **wasn't much of a surprise** that the Fed would like some help from the fiscal side of the equation.

The 1pm 2yr Treasury auction was somewhat weaker than average, but not as starkly as the last auction cycle during election week. It brought **very slight pressure** to the bond market as traders interpreted a potential lack of foreign demand at the more important auctions coming up tomorrow and Wednesday. Later in the afternoon, news of an Earthquake in Japan sparked a small flight-to-safety rally that restored bond markets to the upper-middle part of today's range.

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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	4.2818	-0.0784
30 YR Treasury	4.4857	-0.0440

Pricing as of: 7/5 5:59PM 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

## 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**

