



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 Manage to Hold Ground With Help From Old Friends

Remember overseas bond markets? It would be easy to forget about the typical influence from Asian and European bond markets on US bond markets over the past few weeks, due largely to the fact that US bond markets have had **bigger fish to fry**. On an average day, if overseas bond markets are moving by an average amount, US bond markets will experience a lower-grade version of the same move. Pretty simple.

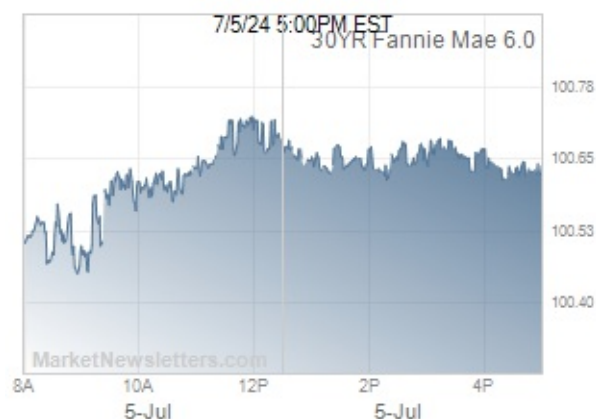
Of course the past few weeks have seen US bond markets take their fate into their own hands as they reprice long-term inflation/growth expectations. Overseas influences are still there, but there's **no point** in talking about a 2 bps of positivity from Europe if US traders are accounting for 8bps of weakness.

With narrower trading ranges over the past few days, and especially with bond markets winding down for "holiday light" volume, European influence was easier to spot today. US bond markets tried their best to go their own way (indeed, US vs Germany 10yr yields are the **widest apart they've ever been**). Europe nonetheless helped Treasury yields hit session lows. Then, predictably, bond markets lost ground after Europe closed.

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
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

The 8:20 CME open and 9:30am NYSE open provided the biggest thrusts toward higher yields. This stands to reason, considering this is a week where trading is often dictated by incidental [tradelows](#) as opposed to cause&effect economic data and headlines. The **5yr auction** was a relative non-event amid the slightly bigger picture, although the fact that it came in with average stats does afford some small hope that bond markets are beginning to find their footing here.

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

