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## MBS Recap: Bonds Battle Back to Unchanged After Auctions

We were hoping to see some traction for bond markets after today's Treasury auctions, and we got it! Unfortunately, the overnight session pushed yields to the **highest levels in more than 2 years** before the domestic session began. In other words, we had a deficit to make up from the outset.

Part of the weakness was attributable to a **sharp rise in oil prices** thanks to the non-OPEC addendum to last week's big OPEC production cut deal. This involved OPEC meeting with non-OPEC countries and agreeing to more production cuts. Saudi Arabia surprised markets by announcing additional cuts (on top of what the OPEC deal required). The other part of the overnight weakness was attributable to volatility at the start of European trading hours.

As domestic trading got underway, bonds began to recover, and traders increasingly called the exuberance of the oil price spike into question. 10yr yields quickly moved back under 2.50, and then hovered around 2.49+ heading into the Treasury auctions. Treasuries **improved further** after the first auction was out of the way at 11:30am, and then held steady after the 2nd auction at 1pm.

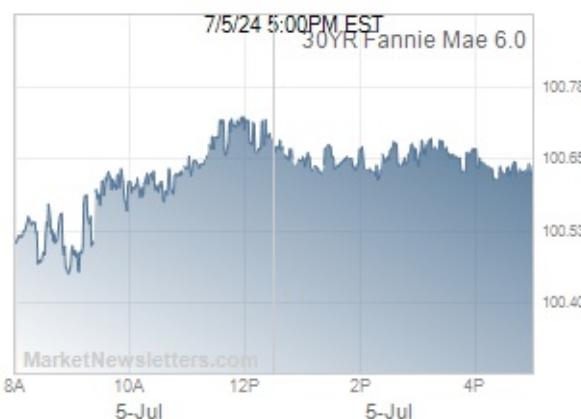
Treasuries still have one auction to get through with tomorrow's 30yr bonds at 1pm. MBS are less affected by such anxieties, however, and were thus able to inch back into positive territory by the afternoon. **Most lenders repriced positively.**

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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

## 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

## 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.

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