



## Rich E. Blanchard

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## MBS Recap: Bonds Relax After Epic Glut of Corporate Issuance

Bonds began the new year **on the defensive** thanks to a deluge of corporate bond issuance as well as stronger ISM Manufacturing data. By 10:15am, 10yr yields were at their highest levels of the day, and nearly 7bps higher than last week's close. Fannie 3.5 MBS were more than 3/8ths of a point weaker.

But that's when the **comeback** began. Bond markets braced for the typically detrimental effects of corporate issuance by selling. As the issuance announcements kept coming, traders found themselves over-prepared. In other words, they'd erred too much on the side of selling, and thus were able to start buying again. Granted, there is a far more complex way to explain this, and there are other factors in play today, but that was the day's central theme in a nutshell.

10yr yields and MBS both made it back **within a hair of 'unchanged'** on the day. Due to lenders' conservative pricing strategies ahead of the holiday, most were offering better rates by the end of the day, after a slew of positive reprices.

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## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	<b>+0.22</b>
MBS GNMA 6.0	100.74	<b>+0.21</b>
10 YR Treasury	4.2818	<b>-0.0784</b>
30 YR Treasury	4.4857	<b>-0.0440</b>

Pricing as of: 7/5 5:59PM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.03%	<b>-0.05</b>	0.00
15 Yr. Fixed	6.44%	<b>-0.01</b>	0.00
30 Yr. FHA	6.50%	<b>-0.05</b>	0.00
30 Yr. Jumbo	7.24%	<b>-0.01</b>	0.00
5/1 ARM	7.05%	<b>-0.02</b>	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	<b>+0.09</b>	0.00
15 Yr. Fixed	6.25%	<b>+0.09</b>	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.03%	<b>+0.09</b>	0.62
15 Yr. Fixed	6.56%	<b>+0.09</b>	0.54
30 Yr. FHA	6.90%	<b>+0.11</b>	0.95
30 Yr. Jumbo	7.11%	<b>-0.01</b>	0.50
5/1 ARM	6.38%	<b>+0.11</b>	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**

