



**Rich E. Blanchard**

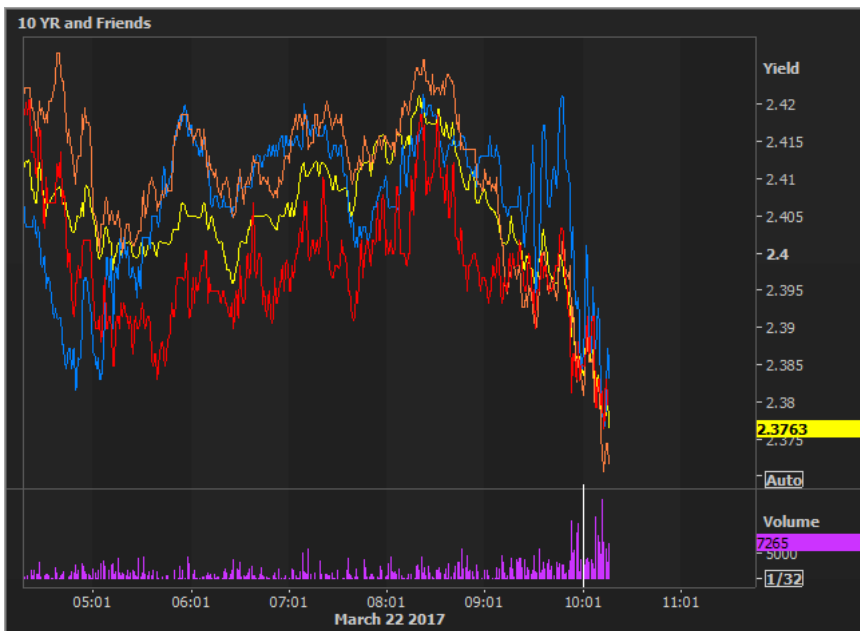
Managing Director, RICH Home Loans LLC  
 NMLS: 492461  
 1550 Wewatta St., 2nd Floor Denver, CO 80202

Office: 720.619.9900  
 Mobile: 303.328.7047  
 Fax: 214.975.2874  
[richblanchard@richhomeloans.com](mailto:richblanchard@richhomeloans.com)  
[View My Website](#)

## UPDATE: Bond Rally Extends Before and After Econ Data

Very **deceptive** market movement going on at the moment! Bonds were already doing slightly better heading into this morning's Existing Home Sales data. The report came out slightly weaker than expected (5.48mln vs 5.47mln forecast) and the bond rally immediately extended. At least that's the way it looks!

In **reality**, the first mini-blast of bond buying arrived at 9:54am and was over by 9:57am. The second mini-blast arrived at 10:09am and hasn't quite died down yet (see the TSY futures volumes in the lower pane of the chart).



If Existing Sales were a motivator, we'd have seen volume spike **RIGHT** at 10am--**not** before and after. Bigger issues for bonds include the broader "risk-off" momentum that remains intact ahead of tomorrow night's health care vote and tomorrow morning's Yellen speech. The orange line in the chart above is Yen/\$--a good benchmark for the risk-on/risk-off trade. It just hit 4-month lows (i.e. the biggest "risk-off" indicator we've had in a while).

For a **refresher on risk-on vs risk-off**, [check out this primer](#).

## 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

10yr yields hit a low of 2.3745 and have **bounced** just slightly. This brings us very close to our rally target of 2.367% (as discussed in the [Day Ahead](#)). A correction could take shape at **any time**, but ideally, it wouldn't happen until after the health care vote. Even so, it makes sense to stay alert with bonds having come so far so fast. As I type, bonds, yen, stocks, etc. are pulling out of freefall mode and considering their next move.



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

