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## UPDATE: Bonds Reverse Course, Turn Stronger After Initial Data Reaction

Bond markets were slightly stronger in the overnight session, partially in response to a "risk-off" move associated with Comey's firing, but mostly due to European bond market strength. 10yr yields hit domestic hours 2bps lower at 2.378 and rose only slightly after stronger-than-expected import price data (+0.5 vs +0.2 forecast and a previous reading revised up to +0.1 from -0.2).

Since that initial weakness, we've reversed course and moved to the strongest levels of the day. 10's are now down 2.5bps at 2.372 and Fannie 3.5s are up 5/32nds at 102-13.

For what it's worth, it doesn't look like MBS are higher on the day if you're looking at a chart, or if you're thinking about where prices were yesterday. That's due to the roll. If you're not familiar with this phenomenon, there's always a handy link to "roll dates" at the bottom of the econ calendar that includes the following explanation:

### 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
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#### 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

### MBS COUPON ROLL DATES

"The roll," as we call it, refers to the monthly settlement process in MBS coupons. The current month's coupons are retired and the trailing month (which is usually .25-.375 lower in price) takes over as the new "front month" coupon, making it seem like prices have dropped overnight. Prices didn't drop. We are simply shifting our point of view from the front month to the trailing month. The trailing month was always trading at those lower prices and lenders always knew it. The dates in this table refer to the days where pricing will have already dropped to the trailing month levels. So if you open up MBS Live on the morning where a roll date is indicated and we are inexplicably 10/32nds lower while Treasuries are unchanged, that would be the roll, and there would be no negative implication for rate sheets vs the previous day.

	Fannie 30 YR Freddie 30 YR	Fannie 15 YR Ginnie 15 YR Freddie 15 YR	Ginnie 30 YR
<b>May 2017</b>	Wed-10	Mon-15	Wed-17
<b>June 2017</b>	Mon-12	Fri-16	Tue-20
<b>July 2017</b>	Wed-12	Mon-17	Wed-19
<b>August 2017</b>	Fri-11	Tue-15	Fri-18
<b>September 2017</b>	Tue-12	Fri-15	Wed-20
<b>October 2017</b>	Wed-11	Mon-16	Fri-20
<b>November 2017</b>	Fri-10	Wed-15	Fri-17
<b>December 2017</b>	Tue-12	Fri-15	Tue-19
<b>January 2018</b>	Wed-10	Mon-15	Fri-19



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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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