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UPDATE: Slightly Weaker on the Day; Some Gains Following ISM Data

Bonds drifted modestly higher in yield in the overnight session with 10yr at 2.17 just before the 8:20am CME open. Traders were clearly **waiting in line to sell** as the first half hour of the session saw a quick rise to 2.189. During the same time, Fannie 3.5 MBS moved from 103-10 to 103-07.

Since 9am, bonds have **bounced back** of their own volition. In other words, there weren't any headlines or economic events helping us bounce back--nor were we obviously being pulled around by related markets.

The **10am ISM data** was the next potential source of inspiration. The headline PMI (Purchasing Managers Index) was slightly weaker than expected (56.9 vs 57.0 forecast) with the lowest inflation component in more than a year and the highest employment component in nearly 2 years). The offsetting suggestions of those components could be serving to limit the reaction in bond markets, but what little reaction we've seen has been positive.

10yr yields are now back down to 2.173 and Fannie 3.5s are back up to 103-10.



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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
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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

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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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