



## Rich E. Blanchard

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## ALERT: Bonds Slammed by Variety of Factors

Bonds were sharply weaker in the overnight session in a move that most analysts are chalking up to "earnings" because they can't think of anything better to blame or because they're stock people. It wasn't earnings, and this much is clear by seeing the blue line (stocks) lag below the others in the following chart.



As the chart suggests, the opening of EU markets served as the biggest source of upward pressure for bond yields overnight. Domestic traders piled on to the selling-spree with validation from the JP Morgan survey of Treasury clients showing another spike in "shorts" (traders betting on higher rates).

Data in Europe was generally stronger, but this move is too broad-based to chalk it up to one factor. With the ECB announcement coming up in 2 days, we're definitely starting to see some general apprehension about the first official (potential) roadmap for ECB tapering. US markets are apprehensive about the Fed Chair selection process, and more predisposed to sell bonds in general (hence yesterday's analysis to the effect of "the trend is still unfriendly" despite yesterday's gains).

## 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

## Freddie Mac

30 Yr. Fixed	6.95%	<b>+0.09</b>	0.00
15 Yr. Fixed	6.25%	<b>+0.09</b>	0.00

## Mortgage Bankers Assoc.

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



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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.

**Rich E. Blanchard**

