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# The Day Ahead: Mostly a Chart Showing The Worst is Over

If you weren't already noticing that the worst of this week's selling spree was **over** with yesterday's ground-holding, today's early trading essentially **confirms** it. I put a couple technical indicators in the chart below that we don't revisit too frequently, but that do a good job of showing what's been happening in the past few weeks.



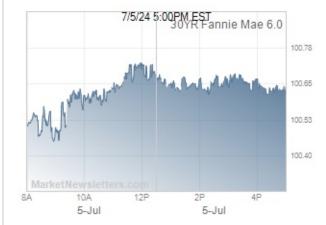
NOTE: this is an **hour-to-hour** chart as opposed to day-to-day. I'll break down my observations in bullet points because it's the day before x-mas weekend and who needs overly-wordy commentary?

- Big, successive breaks beyond an outer bollinger band signal an 'intact' sell-off. When yesterday's trading failed to break the upper bollinger band, that was a good sign
- Declining peaks in RSI is a good sign in general, but breaking below the red line after those peaks is even better
- Yesterday's lower set of peaks in MACD complemented the declining

#### 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 I	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 Banke	rs 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 Rates as of: 7/5	6.38%	+0.11	0.54

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peaks in RSI and the failed bollinger band breakout attempt. As the

MACD bars began to decline, it suggested the selling-spree was over. Breaking below the zero line overnight confirms it.

If it weren't the day before x-mas weekend, the break below the MACD line (or the red line in RSI) would be "buying triggers" to some (signals to buy bonds). Holiday weekend or not, we can at least read this as a "no more selling" signal.

There is some economic data today, but we wouldn't expect it to matter. **Bonds close early** at 2pm ET, though most traders have already clocked out mentally (if not physically). Monday is a full closure for Christmas Day.

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