



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

[View My Website](#)

MBS Recap: Friendly But Ultimately Inconsequential Move After 5yr Auction

Bond trading was every bit as uneventful as it should have been to start the day. Volumes were as light as they get and weakness was modest at worst. The only x-factor was the 5yr Treasury auction which frankly could have had a variety of impacts on bonds given the ultra-light liquidity/volume.

As it happened this time, auction demand was stronger than expected. This is exactly the sort of magnified move we talk about in the context of [this primer on liquidity](#). It may or may not be indicative of things to come, but it's a better turn of events than a disappointingly weak auction that pushes yields up and over ceiling levels. Either way, the entirety of the last trading week has occurred inside the white box in the chart below (and of course, yields are even more securely contained in the broader consolidation (yellow lines).



Markets are fully closed tomorrow for Christmas, but then fully open on Thursday and Friday. My commentary and analysis will continue on an 'as-needed' basis (which is why I'm putting out this quick note to explain the intraday move due to the auction, and to put it in a bit of context).

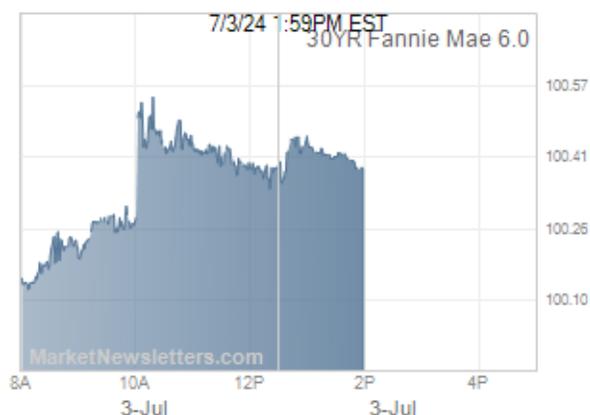
Subscribe to my newsletter online at:

<http://housingnewsletters.com/richhomeloans>

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.39	+0.19
MBS GNMA 6.0	100.53	+0.14
10 YR Treasury	4.3602	-0.0724
30 YR Treasury	4.5297	-0.0761

Pricing as of: 7/3 5:59PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	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: 7/3

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

