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## ALERT: European Sell-Off Leading Bond Yields Higher

If there's a single overarching theme for the year-end trading environment, it's **illiquidity**. This isn't strictly an American phenomenon, as we're seeing strong evidence of this morning. The European bond market was pummeled instantly at the start of the European trading session and losses continued at a fast pace throughout the night.

The speed and the timing of the move has left analysts scratching their heads to some extent, but the best guess has to do with EU markets being fully closed tomorrow (thus making this the last trading day of 2019, and thus the last opportunity make balance sheets look pretty). What better way to make balance sheets look pretty than by selling negative-yielding debt and replacing it with cash?

Treasuries are simply along for the ride with 10yr yields up 5.6bps to 1.935. Fannie 3.0 MBS are down 6 ticks (.19) at 101-09 (101.28). News of China's Vice Premier Liu traveling to DC this week for a phase one trade deal signing has added some pressure to bonds in the last half hour, but I wouldn't put too much stock in that headline given the lack of response in the stock market.



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## 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
<b>Mortgage News Daily</b>			
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.

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