

Rich E. BlanchardManaging Director, RICH Home Loans LLC NMLS: 492461

1550 Wewatta St., 2nd Floor Denver, CO 80202

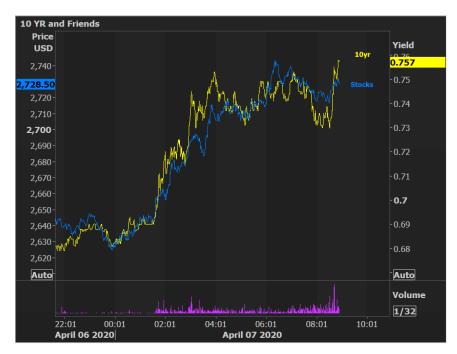
Office: 720.619.9900 Mobile: 303.328.7047 Fax: 214.975.2874

richblanchard@richhomeloans.com

View My Website

UPDATE: Bonds Under Pressure For 2 Reasons; MBS Weaker But Outperforming

There's a bit of a double whammy in play for the bond market this morning as risk assets (i.e. stocks) continue a hope-fueled bounce. In other words, recent market movement would have you believe that stocks and bonds priced-in a bleak future based on forecasts at the time and they've since seen signs that it could be less bleak. This has been playing out since March 22nd in stocks but only since last Friday in bonds. Today's installment looks like this:



That most recent uptick in 10yr yields corresponds with more hope-inducing headlines:

RTRS - U.S. TREASURY'S MNUCHIN SAYS TRUMP LOOKING AT AREAS OF THE COUNTRY WHERE ECONOMY CAN BE REOPENED

RTRS - U.S. TREASURY'S MNUCHIN SAYS HOPES TO HAVE 'MAIN STREET' LENDING PROGRAM UP AND RUNNING WITH FEDERAL RESERVE SOON

RTRS - U.S. TREASURY'S MNUCHIN SAYS THERE WILL BE MONEY FOR SMALL BUSINESS PAYROLLS, IF WE NEED MORE WE'LL GO BACK TO CONGRESS

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 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	6.38%	+0.11	0.54
Pates as of: 7/3			

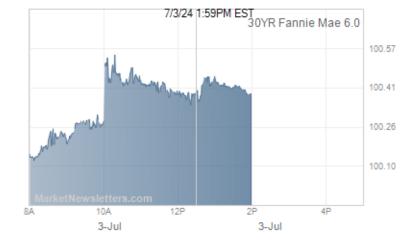
Rates as of: 7/3

© 2024 MBS Live, LLC. - This mortgage market update is a service of MarketNewsletters.com and MBS Live.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Not only do such comments fuel a risk-on trade, they also imply ongoing supply pressure in the bond market (i.e. "going back to congress" means spending more money on stimulus, and that would require additional Treasury issuance. Issuance=more supply. More supply = lower prices and higher yields).

MBS aren't too bothered by such things as they wouldn't be subject to such issuance. 2.5 UMBS are down only 3 ticks (0.09) in price on the day whereas 10yr Notes are down more than 3/4 of a point in price (up 8bps in yield).



Subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans

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

