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## UPDATE: Uneventful Auction and More Afternoon Bond Buying

MBS are easily back into positive territory as bonds undergo another afternoon rally. The $30 y r$ Treasury auction was uneventful, which is reassuring considering yields were well below their highest levels of the day by auction time. $10 y r$ yields just edged to the lowest levels of the domestic session, in fact.
2.5 UMBS have benefited both from the broader bond market resilience and from maximum allowable takedowns of MBS from the Fed's last 2 buying operations. Perhaps we've moved on from the Fed targeting a range between 103-104 and are now witnessing a Fed that is simply more aggressive when MBS are down on the day and less aggressive when prices are up on the day.

Either way, any reprice risk associated with the earlier dip in prices is now gone. Reprice risk as a factor of individual lender considerations (i.e. pipeline control due to enticing rate sheet offerings) is omnipresent. That said, we've seen far less of that behavior today than on any other day in at least a month.


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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 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 Ioan transaction while providing personalized service.

Rich E. Blanchard

