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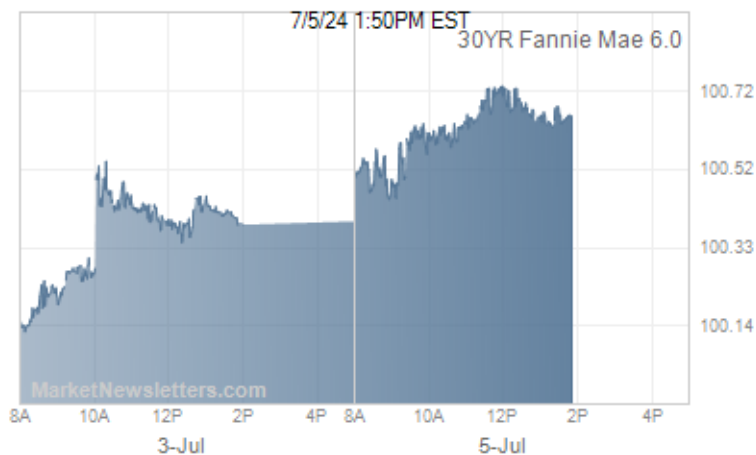
## UPDATE: MBS Prices Squeezed Higher as Supply Subsides

The first two days of the week saw elevated supply in MBS from originators and elevated selling pressure in general due to the spread tightening discussed in [yesterday's video](#). The Fed bought most of its allotment of UMBS 30yr fixed coupons on each of the past 2 afternoons without making a dent in supply. Today has been a different story.

Sellers only put 4.48 bln on the Fed's auction table and the Fed accepted 3.045 bln. Contrast that to the past 4 operations:

- Tuesday PM: \$6.6 vs 3.8 bln
- Tuesday AM: \$7.2 vs 3.3 bln
- Monday PM: \$6.3 vs 3.8 bln
- Monday AM: \$8.3 vs 3.8 bln

In other words, the Fed took down a much higher proportion of what sellers were offering. The elevated MBS prices make great sense in that regard. 2.5 UMBS are up almost 3/8ths of a point at 104-05 (104.16). 10yr yields are down more than 10bps at .643.



### MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.65	+0.27
MBS GNMA 6.0	100.82	+0.29
10 YR Treasury	4.2764	-0.0838
30 YR Treasury	4.4717	-0.0580

Pricing as of: 7/5 1:51PM EST

### Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
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 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: 7/5

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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**

