



## Rich E. Blanchard

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## UPDATE: MBS Vastly Outperforming Now

Today has offered a fairly substantial reversal to the recent trend of MBS underperformance. At first glance, this has simply been a matter of the market working through the supply it needed to offload at the start of the week. Mon/Tue Fed operations showed selling demand more than 3 times higher than the Fed's buying amounts in conventional 30yr fixed coupons.

On a speculative note, we might conclude further downward pressure on supply as today's FHFA announcement effectively tightens the credit box. In turn, that would increase the credit quality of the loans making it through and decrease prepay speeds. Combine that with a technical bounce in MBS spreads and the rest is history.

2.5 UMBS are up a quarter point now at the highs of the day (just under 104) and 10yr yields are UP 5.3bps at .619.



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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	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	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**

