



Rich E. Blanchard

Managing 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](#)

MBS Recap: Nice Calm Rally For Bonds as Defenses Come Down

Today didn't add much to the bigger picture. With the Fed hike so well telegraphed and the weakness over the previous 3 days, we may well have assumed a bit of **defensiveness** in bond markets heading into the Fed Announcement. With today's rally bringing us right back to the 21-day moving average (something I've been pointing out as the bond market's pre-Fed glide path), we're essentially right where we have been since mid November.

Cruising sideways-to-slightly-lower with a 10yr yield in the 2.2's isn't the worst place to be, but it's not necessarily where we will be going forward. The calendar is the wild card as the holidays arrive in full force tomorrow afternoon. Bottom line: yes we rallied nicely after Fed day, but this is just a return to the mid-point and **not necessarily an indication** that the Fed hike will instantly kick-off a paradoxical rate rally.

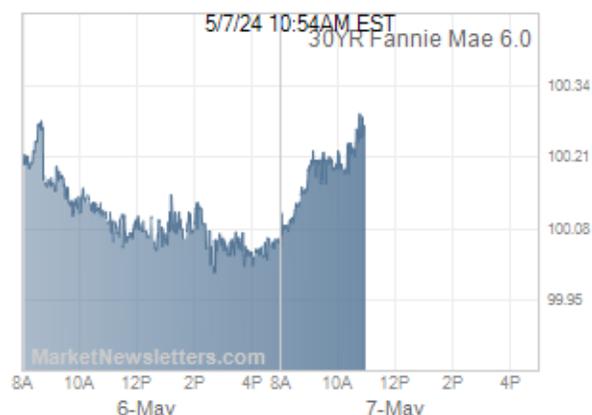
Today's data fell on deaf ears as traders were too busy watching tradeflows. Jobless Claims were slightly stronger (271k vs 275k) and Philly Fed was much weaker (-5.9 vs 1.5). The Fed conducted its first open market operations at the new, higher rate, and the level of participation was barely changed. But there again, there could be **'year-end effects'** in play here (financial firms that trade with the Fed have less flexibility and like to keep more assets on their own balance sheets), so we'll have to wait and see how things shake out in January before getting too excited.

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

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.27	+0.21
MBS GNMA 6.0	101.09	+0.17
10 YR Treasury	4.4336	-0.0523
30 YR Treasury	4.5802	-0.0562

Pricing as of: 5/7 10:53AM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.25%	-0.03	0.00
15 Yr. Fixed	6.68%	-0.07	0.00
30 Yr. FHA	6.64%	-0.06	0.00
30 Yr. Jumbo	7.45%	-0.03	0.00
5/1 ARM	7.32%	-0.03	0.00
Freddie Mac			
30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/6

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

