



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](#)

The Day Ahead: Market Theme to Shift From Fed to Holidays

With the relatively extreme importance of a Fed meeting that fell on December 16th, it was easier to overlook the fact that **Christmas is next week**. For me personally, even though I could have told you if you'd asked me, I didn't much think about it until the emails started rolling in yesterday. "I will be out of the office starting _____ and returning on _____. Happy holidays!" That kind of email (or auto-responder).

It's worth mentioning that for all the talk in the news over the past few years about algorithmic trading, and despite what you might assume is an environment with heavy leveraging of technology, bond markets run on **human power**. Most markets do. And when human power dwindles, trading dynamics change.

Most traders with the latitude are either **out of the office** or trading in a way that acknowledges others are out of the office. Skeleton crews are left with fairly specific instructions, and in general, trading positions are more likely to be closed than opened. That could prove to be supportive for bond markets given the recent preponderance of "short" positions (because short positions are closed by buying bonds).

As for the economic calendar, it **fully supports an early exit**. There's nothing happening apart from a speech from Fed's Lacker (not likely to be noteworthy) and an oil rig count report that will come too late in the day to be of material consequence to bond markets (1pm).

Subscribe to my newsletter online at:

<http://housingnewsletters.com/richhomeloans>

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.57	+0.11
MBS GNMA 6.0	100.60	+0.12
10 YR Treasury	4.6274	-0.0071
30 YR Treasury	4.7629	+0.0115

Pricing as of: 5/2 9:57AM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.41%	-0.10	0.00
15 Yr. Fixed	6.84%	-0.06	0.00
30 Yr. FHA	6.88%	-0.11	0.00
30 Yr. Jumbo	7.60%	-0.07	0.00
5/1 ARM	7.50%	-0.05	0.00
Freddie Mac			
30 Yr. Fixed	7.17%	-0.27	0.00
15 Yr. Fixed	6.44%	-0.32	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: 5/1

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

