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MBS Recap: Strong Start and Afternoon Fade for Bonds

It was the first day back from the holiday market delirium and market participants needed a touchstone to kick things off. They found it in the form of manufacturing data out of China. This might not have been too big of a deal had it happened in the middle of the year, but **it was today's muse** for most of the morning.

China's CSI300 index **dropped 7%**, which is the "circuit breaker" level resulting in trading shutting down. Other indices continued to trade... poorly. The weakness in Asian equities markets spilled over into global equities markets. It also translated to strength for safe havens such as US Treasuries.

Domestic bond markets rode that wave **until** European markets closed. At that point, gains began to **evaporate**. The losses were quick enough for several negative reprices in the mortgage world, but day-over-day gains remained intact by the close.

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MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.09	+0.31
MBS GNMA 6.0	101.03	+0.29
10 YR Treasury	4.5138	-0.0657
30 YR Treasury	4.6711	-0.0579

Pricing as of: 5/3 5:04PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	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: 5/3

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