



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](#)

UPDATE: Under Pressure After Opening Strong, but Resilient

The overnight session was **stellar** for bond markets. Right out of the gate, news of Japans surprise rate cut (into **negative** territory) gave bond markets a big boost. European trading only added momentum to the rally. Sliding oil prices were initially helpful at that time, but began moving higher before the New York session began.

As it happened, rising oil prices and stabilizing equities prices put an end to the bond rally right at the start of the domestic trading day. 10yr yields crossed the 8am threshold at **1.918** and Fannie 3.0s began the day at 102-04.

Both weakened gradually from there. Data has generally been a non-event when it comes to that weakening with the possible exception of a **very strong Chicago PMI** report putting some pressure on bonds. The stock rally is adding to that pressure somewhat.

But even then, bonds have been **resilient** near their weakest levels. 10yr yields only briefly broke above 1.95 and are now back down to 1.942. We can continue to watch 1.95 as a line in the sand that can alert us to a breakdown in that supportive tone. At the moment, with bonds clawing back despite stocks being at the highs of the day, there's **reason to be hopeful**. Question the hope if we get pushed back over 1.95.

On a final note, keep in mind that today is 'month-end,' so we could be seeing additional incremental benefits from that. We can't really know until we see how trading comes out next week, but it's a risk that might temper some enthusiasm over today's resilience.



MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.40	-0.15
MBS GNMA 6.0	100.78	+0.04
10 YR Treasury	4.4223	+0.0454
30 YR Treasury	4.5610	+0.0549

Pricing as of: 5/17 5:59PM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			

30 Yr. Fixed	7.09%	+0.07	0.00
15 Yr. Fixed	6.56%	+0.03	0.00
30 Yr. FHA	6.62%	+0.07	0.00
30 Yr. Jumbo	7.35%	+0.04	0.00
5/1 ARM	7.30%	+0.06	0.00

Freddie Mac

30 Yr. Fixed	7.02%	-0.42	0.00
15 Yr. Fixed	6.28%	-0.48	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.08%	-0.10	0.63
15 Yr. Fixed	6.61%	+0.01	0.65
30 Yr. FHA	6.89%	-0.03	0.94
30 Yr. Jumbo	7.22%	-0.09	0.58
5/1 ARM	6.56%	-0.04	0.66

Rates as of: 5/17

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

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

