

## 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: Decent Day Despite Lukewarm Treasury Auction. Dovish Fed Helps

This morning's weaker Durable Goods data had no effect on trading levels. At the time, bonds were in the process of moving up in yield after a decent little overnight rally, and the selling pressure continued until 9:30am. After drifting sideways for a few hours, a tepid 5yr Treasury auction failed to spook bond traders. Tentative gains followed with help from fairly dovish Fed speakers and mild slump in stocks. All told, another good day in building a case for support, but still not enough to rest easy.

#### **Econ Data / Events**

- Fed MBS Buying 10am, 1130am, 1pm
- Durable Goods -1.1 vs 0.8 f'cast, 3.5 prev
  Core Cap-Ex -0.8 vs 0.5 f'cast, 0.6 prev

#### **Market Movement Recap**

08:21 AM

Bonds opened stronger in Asia and rallied heading into European hours. 10yr yields hit 1.59% before bouncing. The general tug-o-war was between fresh lockdown fears (global) and stronger econ data in Europe, as well as pre-auction hesitation in Treasuries. MBS are starting the day down 2 ticks (0.06), but that's a solid showing considering yesterday's closing levels.

09:28 AM

Paradoxical upward pressure on yields since 9am. Hedge funds were better sellers, based on the expectation that dealers would lighten up ahead of this afternoon's Treasury auction. Dealers then sold as expected. Traders are taking baby steps due to uncertainty over quarter-end rebalancing among managed funds. MBS and Treasuries are now in negative territory on the day (10yr up 3 bps and MBS down almost an eight).

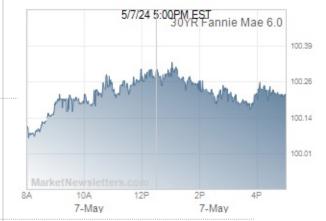
01:10 PM

5yr auction was acceptable but not great. Bonds are little-changed in response with 10yr yields up just under 2bps higher on the day at 1.64%. UMBS are outperforming with 2.5 coupons up 1 tick on the day.

#### MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.21	+0.15
MBS GNMA 6.0	101.11	+0.20
10 YR Treasury	4.4744	+0.0169
30 YR Treasury	4.6141	+0.0157

Pricing as of: 5/8 12:12AM EST



#### Average Mortgage Rates

Average moi	Rate	Change	Points
Mortgage News	Daily		
30 Yr. Fixed	7.19%	-0.06	0.00
15 Yr. Fixed	6.64%	-0.04	0.00
30 Yr. FHA	6.62%	-0.02	0.00
30 Yr. Jumbo	7.41%	-0.04	0.00
5/1 ARM	7.30%	-0.02	0.00
Freddie Mac			
30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	0.00
Mortgage Banke	rs 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 Rates as of: 5/7	6.64%	+0.12	0.87

© 2024 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

O3:04 PM Best levels of the day now with a little flurry of buying at the 3pm CME close. 10yr is down 1bp on the day at 1.612% and 2.0 UMBS are up 2 ticks (.06) trading just under 103.0.

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

