



## Rich E. Blanchard

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## MBS Recap: 3 Times in a Row: Auction Week Bringing The Weakness

Bonds have been consolidating in roughly a 17bp range centered on 10yr yields of 1.30%. During this consolidation phase, yields have hit the ceiling (1.37+) 3 distinct times. Each of those bounces corresponds with a Treasury auction cycle. 2 of the 3 examples include follow-through momentum from a poorly received jobs report (with this week being one of the 2). There's no way to know if the same pattern (the one where bonds turn a corner and calm down by the end of the week) will play out this time, but the stakes appear to be higher with yields already knocking on the 1.37+ ceiling.

### Econ Data / Events

- Fed MBS Buying 10am, 1130am, 1pm

### Market Movement Recap

- 08:41 AM Bonds weaker on supply ramp-up (corporate bonds + Treasury auctions). Steady overnight selling. 10yr up 4bps to 1.368 and MBS starting 5 ticks (.16) lower.
- 12:10 PM Sideways to slightly weaker in Treasuries as pressure persists from corporate bond issuance. MBS still outperforming, now down only 3 ticks (.09). 10yr yields are up 4bps at 1.366.
- 02:55 PM Flat all day at this point, after overnight weakness. 10yr yields continue dancing around the 1.37% technical level while MBS dance around an eighth of a point of losses.

## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.35	-0.05
MBS GNMA 6.0	100.73	-0.04
10 YR Treasury	4.4453	-0.0005
30 YR Treasury	4.5864	+0.0024

Pricing as of: 5/20 10:20PM EST



## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.10%	+0.01	0.00
15 Yr. Fixed	6.57%	+0.01	0.00
30 Yr. FHA	6.64%	+0.02	0.00
30 Yr. Jumbo	7.35%	0.00	0.00
5/1 ARM	7.30%	0.00	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	7.02%	-0.42	0.00
15 Yr. Fixed	6.28%	-0.48	0.00
<b>Mortgage Bankers Assoc.</b>			
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: 5/20

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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**

