

THE FEDERAL SAVINGS BANK



Ted Rood

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A Message from Ted Rood:

"Great to see strong auction demand for treasuries!"

UPDATE: 10y Auction Pitch Swung on and Hit to DEEP Center

Going, going... gone!

Granted, it's not baseball season, but the 10yr auction results were very reminiscent of the resounding crack of the bat followed by eyes turning skyward and the universal assumption: that ball is gone.

The yield award was farther below any other 10yr auction in at least several years of record keeping. The bid to cover was in line with recent highs (which is strong, because it's been steadily falling since QE ended). The indirect bid was near record highs at 70.5% vs 73.6% records in the summer of 2016.

Bonds are responding accordingly, with a break of the 2.34% technical level. 10yr yields are currently down to 2.33%, give or take, and it's not yet clear that today will be the day they stampede to the next major technical of 2.29%.

Fannie 3.5s are lagging, which is to be expected when Treasuries are in the spotlight, but have nonetheless improved a few ticks since the auction.



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

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