



Robert Dylina
 Division Manager, E Mortgage Capital
 NMLS #967879
 3313 M St Merced, CA 95348

Office: 209-233-0121
 Mobile: 209-233-0121
rdylina@gmail.com
[View My Website](#)

Bond Markets Take a Hit as Fed Continues Cutting Purchase Amounts

There was a sharp sell-off in the bond market on Friday afternoon--at least relative to the day's relatively calm trading patterns--as the Fed once again announced an **updated bond buying schedule** for the following week. It was a repeat of a similar performance seen at the end of last week when the Fed cut Treasury purchase limits from \$50 bln per day to \$30 bln. The Fed's mortgage purchases walked a similar path, falling to \$15.5bln / day this week from \$25bln / day for most of last week (and \$40bln the week before that).

Today's cut to Treasury purchases was notable because it was the first time the amount fell by **at least 50%**. Specifically, the Fed will now cap buying at **\$15 bln per day** in Treasuries versus this week's \$30bln daily total. MBS purchase limits were pared to a range of \$8.9-10.6 bln per day--a far cry from the \$50bln/day seen 3 weeks ago.

It's not that bond markets weren't expecting the Fed to continue pruning its buying schedule. Rather, the adjustment was a bit **bigger than anticipated**. As such, the market reaction was fairly quick, but not excessive in the bigger picture. 10yr yields moved from .61% to just over .65% on the news and 2.5 UMBS coupons dropped less than a quarter point.

Here are links for the buying schedules:

[MBS](#)

[Treasuries](#)

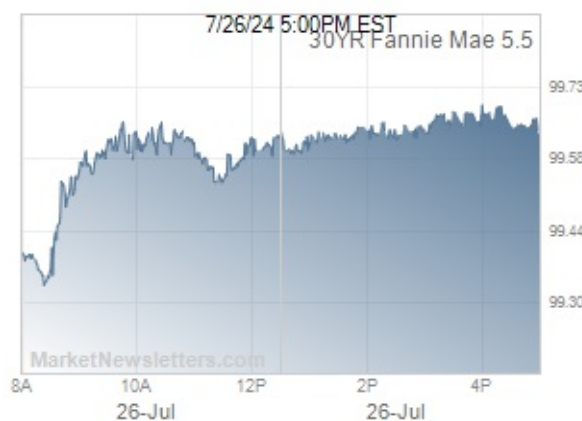
Subscribe to my newsletter online at:

<http://mortgageratesupdate.com/robertdylina-update>

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.68	+0.27
MBS GNMA 5.5	99.98	+0.13
10 YR Treasury	4.1958	-0.0474
30 YR Treasury	4.4523	-0.0305

Pricing as of: 7/26 5:59PM EST



Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.86%	-0.05	0.00
15 Yr. Fixed	6.31%	-0.02	0.00
30 Yr. FHA	6.32%	-0.06	0.00
30 Yr. Jumbo	7.04%	-0.03	0.00
5/1 ARM	6.53%	-0.02	0.00
Freddie Mac			
30 Yr. Fixed	6.78%	-0.08	0.00
15 Yr. Fixed	6.07%	-0.09	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/26

Quality, Experience, and Expertise

I advise clients on some of the most important financial decisions of their lives. A mortgage, either as a home or an investment, should be a very calculated and educated decision. That's where I come in. I service all of California, so if you have a mortgage need please contact me.

Robert Dylina

