

UPDATE: MBS More Than an Eighth Off Highs, But High Bar For Reprice Risk

Bonds have gradually corrected after the Powell press conference rally. 10yr yields are up to 4.636 from lows of 4.58, but that's still nearly a 5bp gain on the day. MBS are still up a solid 3/8ths of a point, but that's more than an eighth off the intraday highs.

Lenders who repriced for the better at the price peak could technically consider a small negative reprice, but the average lender will not have made such an aggressive adjustment with such unlucky timing. In other words, they have a few more ticks of weakness before getting concerned enough to pull the trigger. All that having been said, we've seen several lenders over the years that seem to reprice based more on emotion and short-term momentum rather than objective math and logic. So they're always wild cards at these moments.

Lenders who have not yet repriced for the better are still more likely to do that if they reprice at all.

As for motivations, it's hard to say that it's anything other than a late day correction driven by light liquidity and perhaps some official selling by Japan (Yen is surging massively right now).



Matthew M. Loan

Senior Loan Officer,
Mortgage Company, LLC.

mbslive.net

P: (704) 867-5309

M: (980) 867-5309

1050 W. Main St.
Charlotte NC 28031
NMLS: #987654321



Christina "Demo"
Realtor

Managing Partner, Real
Estate Company, LLC.

mbslive.net

P: (704) 555-1212

M: (980) 555-1212

social+test@mbslive.net

12954 S. Broad St.
Charlotte NC 28031



