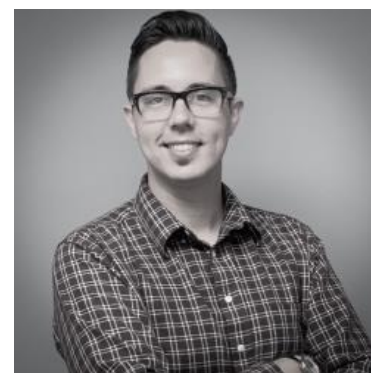


MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.



MBS Recap: Uneventful Monday Leaves Bonds Little Changed



Mike Hardy

Mortgage Advisor, Fairview Mortgage Capital, Inc.

mortgagemike562.com

M: (562) 370-0544

29000 S. Western Ave.
Rancho Palos Verdes CA 90275

NMLS#1175689

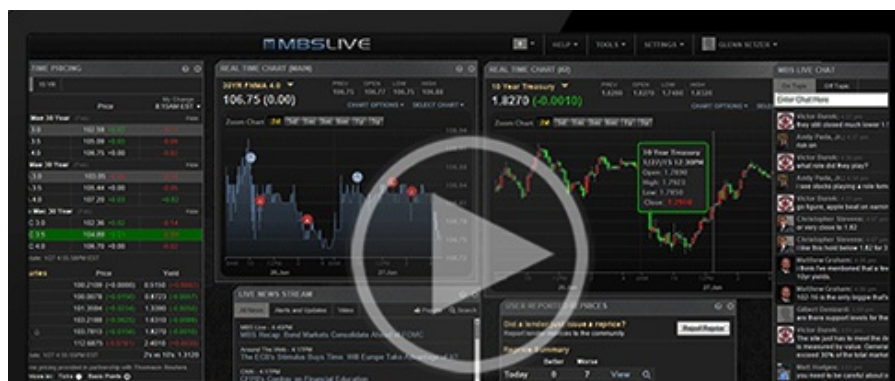
DRE #01326046



Uneventful Monday Leaves Bonds Little Changed

MBS Recap | Matthew Graham | 4:10 PM

It was a quintessential summertime Monday to start the new week. Trading volumes were exceptionally light and volatility wasn't far behind. Most of the movement happened right at the 8:20am CME open with Treasuries quickly repairing some incidental overnight damage. The 9:30am NYSE open saw a quick pop and drop, but from there, it was super sideways for Treasuries and especially MBS. Both ended the day in effectively unchanged territory vs Friday. Uneventful days become less likely from here on out due to Treasury auctions, Powell Testimony, but most importantly, Thursday's CPI data.





[Watch the Video](#)

MBS Morning

10:42 AM Slow, Sideways Start After Overnight Weakness

Market Movement Recap

- 08:48 AM Initially weaker overnight, but bouncing back in early domestic trading. MBS up 2 ticks (.06) and 10yr down 0.4bps at 4.277
- 11:58 AM Off the best levels slightly. MBS now unchanged and 10yr up half a bp at 4.287
- 03:27 PM Very sideways with MBS up 1 tick (0.03) and 10yr down almost 1bp at 4.273

Lock / Float Considerations

- Friday's jobs report was a win for the bigger picture rate trend, but more in the sense that it helped defuse concerns about inexplicable labor market strength in a restrictive monetary environment. It leaves a very blank canvas for CPI data to set the tone in the coming week. Data dependence is the only certainty as far as directionality. In other words, lock/float is a coin toss that waits for big economic reports to call heads/tails. All we can tell you is that CPI is a high stakes coin. Between now and then, risk averse clients might consider the tendency for Treasury auction weeks to get off to a rockier start.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - o 4.57
 - o 4.49
 - o 4.35
 - o 4.30
- Floor/Resistance
 - o 4.07
 - o 4.19

MBS & Treasury Markets



MBS

30YR UMBS 6.0	+
30YR UMBS 6.5	+
30YR GNMA 6.0	+
15YR UMBS-15 5.0	

US Treasuries

10 YR	4.274%	-0.007%
2 YR	4.630%	+0.026%
30 YR	4.460%	-0.025%
5 YR	4.235%	+0.007%

[Open Dashboard](#)

[Share This](#)