MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: The Sun Also Sets on Bond Rallies



Michael Levine Senior Loan Officer, CrossCountry Mortgage M: 914-391-1183

2900 Westchester Ave. Purchase NY 10577-____ 307827

The Sun Also Sets on Bond Rallies

MBS Recap Matthew Graham | 4:44 PM

Don't worry, the headline is much more dire than the underlying message. Long story short, there are always some counter-trend influences even when the bond market is trending decisively in one direction. One might refer to the trend since May or to last week's CPI reaction as decisive. As such, one might increasingly expect some ground to be given. We could certainly argue that we've seen resistance in bonds ever since the middle of Thursday morning, following the CPI rally. In a figurative sense, this re-sets the board for the next move, and big ticket economic data helps determine the direction of that move.

	MMBSLIVE	🖬 * 100.4 * 100.5 * 🖬 au	
THE PROVS 0.0	REAL TIME CHART (MAIN)	0 0 REAL THE CHART (K)	MES LIVE OWN
na matter	106.75 (0.00)	101.00 10100 10100 10100 10100 10100	Diffee of here
No. No. No. 3.5 No. No. No. 3.5 No. No. No. 3.6 No. No. No.	Trans Carel MA DECIDE THE DECIDE OF THE DEC		Control of the second of the s
13.5 10.6 4.6 0.7 14.6 567.26 4.6 4.6 14.6 567.26 4.6 4.6 14.6 567.26 4.6 567.26 15.6 560.26 4.6 567.26 15.5 560.46 1.7 1.7 15.5 560.46 4.60 4.60 16.6 4.6 4.60 4.60 16.6 56.5 56.66 4.60			Marke Freide, Jose Contario Santa Back Space Contario Santa Back Space Contario Santa Back Space Contario Santa
100,2000 0.610	EAR ALL STREAM THE STREAM AND		They push.
man ku Tuti o kuk Park () 2000 (ULENCAL O) Par Hadi ()	COLUMN IN A DESIGN OF A DESIGN		Anterphenet Principle Whiter Daniels (1975) There is no moments or manife There is no moment or manife
Introductory 27700 Add Face Face Face CCC of the strates we with CCC of the strates we with CCC of the strates we with Distantion and and Distance 13 13 Number of the the strates we with Distantion and strates we come of Distantion and strates we with Distantion and the strates we with Distantion and the strates we with Distance 13 14 Distantion and the strates we with Distance and the strates we with the strates we with Distance and the strates we with t	Auto-1004	3.37 pm Raw Parts Monte Advertises	Image Mark Control of Control Section 2014 (Section 2014) Section 2014 (Section 2

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

Watch the Video

11:40 AM Another Chance to Assess Market Sensitivity to Politics

Alert

1:46 PM MBS at Lows, But Reprice Risk is Modest at Best

Econ Data / Events

- • NY Fed Manufacturing
 - -6.6 vs -6 f'cast, -6 prev

Market Movement Recap

- ^{10:32} AM Modestly weaker overnight but holding ground so far. MBS down just over an eighth and 10yr up 4.3bps at 4.227.
- 01:04 PM Losing some ground as Powell speaks. MBS down 2 ticks from highs (0.06) and an eighth on the day. 10yr up 4.4bps at 4.227
- 02:55 PM Still under some pressure, MBS down 7 ticks (.22) and 10yr up 4.3bps at 4.227
- 03:35 PM Weakest levels of the day for MBS, down 7 ticks (.22). 10yr up 4.6bps at 4.229

Lock / Float Considerations

Last week's CPI helped solidify the on-again, off-again downtrend in rates that began in May. The burden of proof is increasingly on bond bears and upbeat econ data. That is welcome news for risktolerant clients, but it's good to remember that there are always pockets of correction in any trend. The more we push long term lows, the more such risks make sense to consider. Beyond that, "data dependency" reigns supreme. In the shortest term, Tuesday's Retail Sales is likely the biggest risk of the week on the data front.

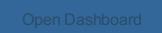
Technicals/Trends in 10yr (why 10yr)

Ceiling/Support (can be used as "lock triggers")
4.57

- **4.49**
- · 4.35
- 4.30
- Floor/Resistance
 - **4.07**
 - **4.19**

MBS & Treasury Markets

	MBS	
30YR UMBS 6.0		
30YR UMBS 6.5		
30YR GNMA 6.0		
15YR UMBS-15 5.0		
15YR UMBS-15 5.0		
15YR UMBS-15 5.0	US Treasuries	
15YR UMBS-15 5.0	US Treasuries 4.231%	+0.048%
10 YR	4.231%	+0.048% +0.005% +0.063%



Share This