MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Morning Volatility, Afternoon Drift



Sean A. Stephens, Esq., CMB® Attorney, Broker to Banker Consulting, LLC www.BrokerToBankerConsulting. com



Morning Volatility, Afternoon Drift

MBS Recap Matthew Graham | 5:07 PM

Bonds began the day in modestly weaker territory before undergoing a bit of volatility after the morning economic data. The two reports in question were Jobless Claims, which voted in favor of lower yields, and the Philly Fed Index, which made the opposite case. Bonds wend both ways before the bulls ultimately took control and got yields back to unchanged levels just before 11am. After that, it was a slow grind to the weakest levels of the day, but all of the above played out in a range that was just as narrow as the last few days.

| | MMBSLIVE | 🖬 • | |
|---|--|---|--|
| THE PROVE 0 0 | REAL THE CHART MAN | 9 0 REAL TIME CHART (KD) | MES LIVE OWN |
| 1.14 | DEVELOPMENT OF THE OWNER AND THE | to fear Teasury . Fear area una retain | CONTRACT OF TAXA |
| Pros ATTANLET | 106.75 (0.00) 106.75 106.75 106.05 106.05 | 1 1010 1000 1000 1000 | Dev Outroe |
| Ref 18 Tear / Fee | Annual Statement and the state and the | June Carl 24 THE THE THE WAI THE THE THE | the lost the lost of the second |
| NO NO NO NO NO NO | | Table Dark 1 THE THE THE THE THE THE THE THE | Tay all closed much lower |
| 15 NO.08 -C 41 MIN | | | And Parks, Aug. 1. 1 and |
| LD 10075-000 400 | | 18 feet feeting | |
| Rea (8 Paul / Paul | | the set of | and the first the second |
| | | Contraction of the Local | And And Parks, All & Mark |
| 15 101.44 -0.00 4015 | | INTER A CONTRACTOR AND | 20 There should playing a role i |
| 48 98728-100 910 | | Circ Lille | The barrier of the second seco |
| Rec 20 Tear / Ken | | | Christopher Errores + 17 |
| 55 4036-110 404 | | | ar very close to 1.82 |
| 35 1048 (1) 119 | | NOV | Christianer Neveral 117 |
| | A DESCRIPTION OF A DESC | | The backet being 1.82 b |
| | the first of the second se | | Wothers Graham; 1 11 pr |
| Nas Pas Yest | A CONTRACTOR OF A CONTRACTOR OFTA CONTRACTOR O | the star of the star of the star | 10yr ywrdte |
| 100,2109 (-0.000) 0.010 (-0.000) | CLAR NEWS STREAM | P.M. | and the faster of the |
| 100.0078 (-0.0750) 0.0720 (-0.007) 100.0000 (-0.0750) 1.0000 (-0.0750) | | Construction linears 0.0 | and this is the only bugge to |
| HEADING COLORADO AND A COLORADO | Aller And and places have a funder | | Calment Democratik 1 100 pre |
| A STATUTE COLORED AND A COLORED | MELLIN CARTON | Did a landed and sound a reprise? Reput Reprise? | the factor factor in the |
| COMPACT CONTRACT OF A DESIGNATION | With Recap. Devid Markets Considerer Albert Aufort | | The site just has to need the |
| an off a large state of the large | Average The states of a line of the state of | That is Rownay | is measured to value Carry exceed 10% of the Mar ma |
| a prime provided in partnership with Thomasia Rouberts | | Select Rend | The and inches 111 or |
| tes at fors . And have 0 | OTTER Centres on Financial Education | Teday 0 7 Vew Q | You have I as he cannot also acreage through |
| INCOLEMONE 0 | C State State of State Add and State of State | | The second second second |
| Partness Teneral Teatrest Berlin | | | Nones Branced under Ball |
| ay, January 27th Ant for Non- | and a straight days around | | anyone been man acting a |
| | MISSINGLE DECEMPTOR | tage these Dented Topologies | A street as store |
| Enclosed and an and an an an | and the second se | 3 Jalam Will Martin Tail Road | and the second second |

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



Watch the Video

Update

8:35 AM Modest Gains After Higher Jobless Claims

MBS Morning

12:49 PM Jobless Claims Helping Bonds Push Back Against Overnight Weakness

2:59 PM Negative Reprice Risk Increasing

Econ Data / Events

- • Jobless Claims
 - 243k vs 230k f'cast, 223k f'cast
 - Continued Claims
 - 1867k vs 1860k f'cast, 1847k prev
 - Philly Fed Index
 - 13.9 vs 2.9 f'cast, 1.3 prev
 - Philly Fed Prices Paid
 - 19.8 vs 22.5 prev

Market Movement Recap

- 08:53 AM Initial gains after Jobless Claims data, but pulling back a bit now. 10yr up over 2bps at 4.18+. MBS down 3 ticks (0.09)
- 11:05 AM Back into positive territory in MBS, up 1 tick (.03). 10yr still up 1.2bps at 4.17, but well off the highs.
- 02:43 PM slightly weaker over the past few hours. MBS down 2 ticks (.06) and 10yr up 2.3bps at 4.18
- 04:39 PM heading out at the weakest levels. MBS down 6 ticks (.19) and 10yr up 4.4bps at 4.201

Lock / Float Considerations

Bonds continue struggling to find a reason to extend the recent rally in any major way, but they're also not struggling at all to find reasons to hold ground at the strongest levels in months. In fact, they're holding that ground despite data that might suggest a bit more weakness. Risk averse clients are still looking for lock opportunities with rates at 5 month lows while risk tolerant clients are waiting for the bond market to prove it remembers how to sell-off.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - **4.49**
 - **4.35**
 - **4.30**
 - · 4.17
- Floor/Resistance
 - ° 3.91
 - **4.07**

MBS & Treasury Markets

| | MBS | |
|------------------|---------------|---------|
| 30YR UMBS 5.5 | | |
| 30YR UMBS 6.0 | | |
| 30YR GNMA 5.5 | | |
| 15YR UMBS-15 5.0 | | |
| | | |
| | US Treasuries | |
| 10 YR | 4.203% | +0.045% |
| 2 YR | 4.475% | +0.037% |
| 30 YR | 4.414% | +0.040% |
| 5 YR | 4.119% | +0.042% |

Open Dashboard

Share This