MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Straightforward Gains After Important Inflation Data



Faisal Momin Mortgage Loan Officer, Keyalo Capital Solutions

www.keyalocapital.com P: (281) 948-2967 faisal@keyalocapital.com 12808 W. Airport Blvd

Sugar Land Texas 77478 2351128



Straightforward Gains After Important Inflation Data

MBS Recap Matthew Graham | 5:53 PM

While today's monthly core PCE headline may have technically been higher than the median forecast, a vast majority of forecasters abstained from submitting updated guesses to data aggregators after yesterday's quarterly PCE data. Had they been compelled to do so, the forecast would almost certainly have risen to 0.2 from 0.1 and today's unrounded number of 0.182 would be the logical beat that the market traded... logically. In fact, one might call the 2 day action "boring" considering this morning's quick PCE-driven rally almost perfectly offset yesterday's PCE-driven sell-off and neither was very big in the bigger picture.

			MMBSLIVE	TILL * TILL * TILLS * SETTINGS	• 🔲 GLOWE SETTINE •
100,000	086	0.0	HEAL THE CHART MANS	0 0 REAL TIME CHART (K)	MIS LNE OW
1.14	-	a the same	106.75 (0.00)	101.00 10.00 10.00 10.00 10.00 10.00	et skille George Services
Nor 10 Yes 310		run Million	Terre Chart IN THE THE THE THE TWO IN	Daniel Chart Mr. 196 The Star Star 199 1991	The fact factor of the factor
	NOV 28 - 1 - 10 NOV 28 - 10 - 10			Hard Street	
ales (18 Tea (3.8 (3.6	105.05 -C.00	144 101	1.		Classification of the state of
ALC: No. of Concession, Name					the sector of th
238 235	NUMBER OF STREET				Christopher Einverse 117
148 Mil 107 117			Search residence in the later of the later of the		Reflece Contact 1 1
-	Pear 100,2109 (-0.0000) 100,0078 (-0.0110)				pi Aus pi Aus 10 Mail Index Containsi - 1 mm 10 Mail Index Containsi - 1 mm
	101,2100 (10,011) 103,2100 (10,011) 103,7000 (10,011)	1000 11000	Million and Million States	Del a londor del servicit	O O

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



Watch the Video

Update

8:39 AM PCE Slightly Higher, But Bonds Are OK With It

MBS Morning

11:58 AM Bonds Rallying Despite Higher Core PCE

Econ Data / Events

- • Core M/M PCE
 - 0.2 vs 0.1 f'cast, 0.1 prev
 - (unrounded = 0.182%)
 - Core Y/Y PCE
 - 2.6 vs 2.5 f'cast, 2.6 prev
 - Incomes
 - 0.2 vs 0.4 f'cast, 0.4 prev
 - Outlays
 - 0.3 vs 0.3 f'cast, 0.4 prev
 - Consumer Sentiment
 - 66.4 vs 66.0 f'cast, 68.2 prev

Market Movement Recap

- 08:40 AM 10s are down 2.6bps at 4.218 and MBS are up 2 ticks (.06).
- 12:11 PM Mostly sideways after initial rally. MBS up 6 ticks (.19) and 10yr down 3.7bps at 4.207
- 02:28 PM Flat at same strong levels. MBS up 7 ticks (.22) and 10yr down 4.3bps at 4.201.
- 05:50 PM 10yr out the door down 4.7bps at 4.196 and MBS ended up just over a quarter point.

Lock / Float Considerations

Friday's PCE victory helps set a range ceiling for now. It's all the way up at 4.29 in terms of 10yr yields, so it gives risk takers some room to play the range. As always, there's no way to know which way things will go next week--only that the stakes are higher. Monday is uncommon in the sense that the only major market mover (Treasury refunding estimates) comes out in the afternoon. Volatility potential increases throughout the week with the Fed on Wednesday and the jobs report on Friday.

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		
15YK UMBS-15 5.0	US Treasuries	
15 YR UMBS-15 5.0	US Treasuries 4.193%	-0.050%
10 YR	4.193%	-0.050%

Open Dashboard

Share This