

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.



## MBS Recap: Uneventful Monday With Modest Gains



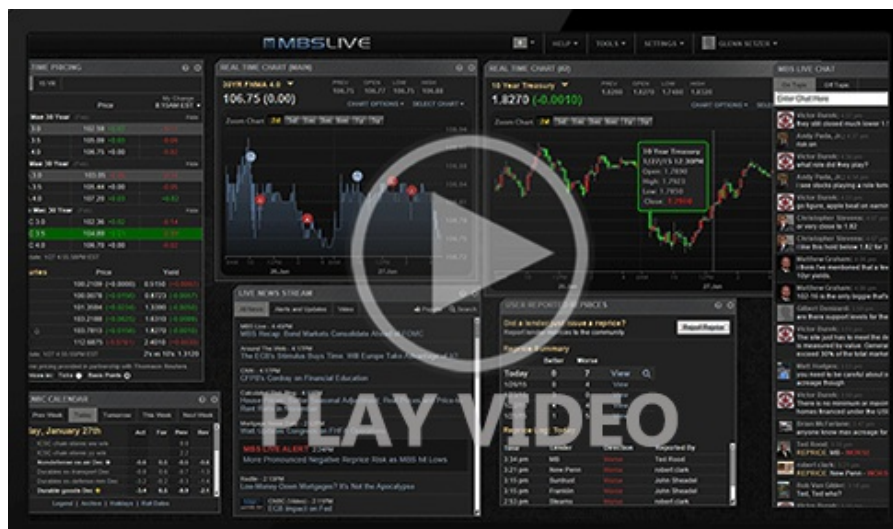
**Nick Hunter**  
President, Owner, River City Mortgage, LLC  
[www.rchomeloans.com](http://www.rchomeloans.com)



## Uneventful Monday With Modest Gains

MBS Recap | Matthew Graham | 4:47 PM

From a volume standpoint, both Friday and today were very light. This isn't a surprise at this time of year, nor is the absence of any meaningful impact on the bigger picture trend (contrast this to last Monday which was the 2nd highest volume day of the year and truly exceptional for a number of reasons). Today means the bond market is falling back into a vanilla routine that involves consolidation ahead of this week's big ticket economic reports. There could have been modest losses or gains without affecting the set-up. As it happened, we got the version with modest gains.



## MBS Morning

11:43 AM Choppy Gains in Low Volume. Fun Begins Tomorrow

---

### Market Movement Recap

---

- 09:55 AM Sideways overnight with early modest volatility. 10yr down half a bp at 3.937. MBS up 2 ticks (.06).
- 12:17 PM Still choppy, but slightly stronger. MBS up 3 ticks (.09) and 10yr down 3bp at 3.912
- 03:57 PM Off the best levels, but still stronger. MBS up 2 ticks (.06). 10yr down 3.8bps at 3.904

### Lock / Float Considerations

---

- Friday increased the chances that last week's correction had leveled off. Now Monday has confirmed it. From here, we're getting into a normal data-dependent risk/reward environment with 3 solid days of data on Tuesday-Thu. Of these, Tuesday is the lesser in terms of potential impact, but if PPI is far from forecast, it could still cause plenty of movement.

### Technicals/Trends in 10yr (why 10yr)

---

- Ceiling/Support (can be used as "lock triggers")
  - o 4.07
  - o 3.97
  - o 3.89
- Floor/Resistance
  - o 3.58
  - o 3.73
  - o 3.79

### MBS & Treasury Markets

---

30YR UMBS 5.5		+
30YR UMBS 6.0		
30YR GNMA 5.5		
15YR UMBS-15 5.0		

**US Treasuries**

10 YR	3.906%	-0.036%
2 YR	4.019%	-0.035%
30 YR	4.203%	-0.021%
5 YR	3.748%	-0.049%

[Open Dashboard](#)

[Share This](#)