

MBS & TREASURY MARKETS

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MBS Recap: What's Up With 'Secret' Jobs Revisions?



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What's Up With 'Secret' Jobs Revisions?

MBS Recap | Matthew Graham | 4:16 PM

When it was limited to social media, it was one thing, but alarming headlines regarding seemingly under-reported labor market visions hit the mainstream today. Given the big role or the labor market in the rate world these days, that seems highly relevant at first glance. But as was the case the last time the QCEW (Quarterly Census of Employment and Wages) was revised, there was plenty of sound and fury with very little significance for markets. The revision will be out on Wednesday morning. It isn't a new jobs number, and the market already expects a negative revision between 600k and 1m for the 12 months ending March 2024. Why all the focus on this topic (which pertains to data that's almost 6 months old)? Because it was a very boring, low-volume, uninspired day for bonds despite incidental gains.





Watch the Video

MBS Morning

10:09 AM Consolidation Continues. Gains and Losses Are an Illusion

Econ Data / Events

- ○ Leading Indicators
 - -0.6 vs -0.3 f'cast, -0.2 prev

Market Movement Recap

- 09:04 AM Roughly unchanged overnight but gaining ground early. MBS up 3 ticks (.09) and 10yr down 3.5bps at 3.837
- 01:05 PM Best levels of the day. MBS up 5 ticks (.16) and 10yr down 5.2bps at 3.82
- 03:34 PM sideways at best levels. No change from the last update and minimal movement since then.

Lock / Float Considerations

- Bonds are in a holding pattern with 10yr yields just under 4% until further notice. Risk and reward are muted at the start of the week--at least as far as scheduled events are concerned. Volatility potential increases with scheduled events on Thursday and Friday (and possibly even Wednesday afternoon's Fed minutes).

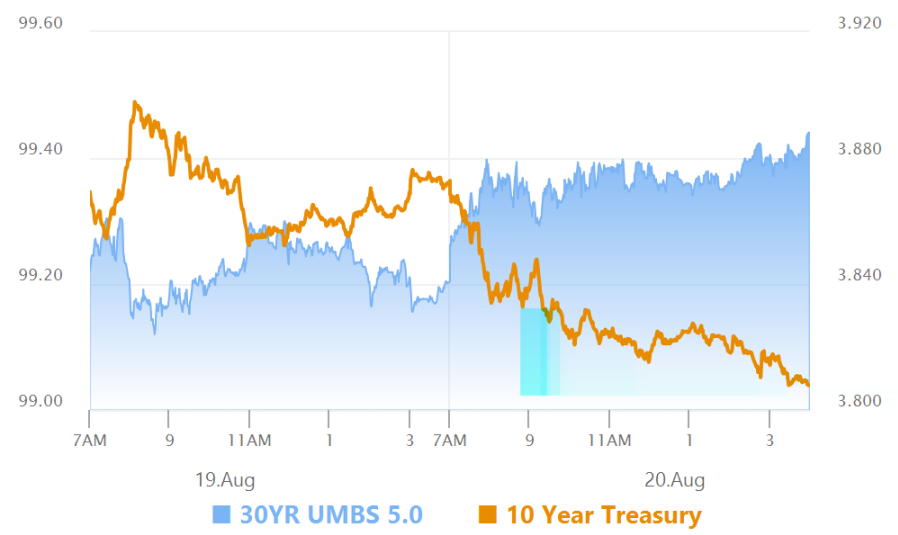
Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - 4.07
 - 3.95

Floor/Resistance

- ○ 3.58
- 3.70
- 3.82
- 3.87

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	3.814%	-0.058%
2 YR	3.993%	-0.069%
30 YR	4.065%	-0.059%
5 YR	3.695%	-0.061%

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