# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Still Waiting For an End to Unfriendly Trend



Joseph Moran President, Home Fast Funding Inc.

www.gethomefast.com P: (813) 940-7272 jmoran@homefastfunding.com

100 South Ashley Drive Tampa FL 33612 156840 1639621



### Still Waiting For an End to Unfriendly Trend

MBS Recap Matthew Graham | 4:32 PM

It was an uneventful Monday for the bond market. Economic data was limited to the NAHB Housing Market Index (builder confidence)--a report that hasn't been a market mover since the financial crisis. And none of the news headlines had an obvious impact on trading levels. Yields started out a bit higher compared to Friday but they began improving almost immediately after the start of the U.S. business day. Based on the timing of today's ebbs and flows, European markets were likely a consideration. Despite the modest gains, bonds remain in the middle of a well-defined uptrend in yields/rates. Until we see a big rally driven by top tier data, the best we could hope for would be for that trend to die of old age.

				attan Store (1993)	and the second sec			
			MMBSU	VE	10. · · · · · · ·		GLOW STO	
INC PROP	6	0.0	HEAL THE CHART MAN	0.0	REAL TIME CHART HIS		1000	MES LIVE OWN
11.18			STREAMAN	17 19915 LOW MOR	10 Year Treasury Y		-	COLOR OF MAN
		No Change	106.75 (0.00)	CHARLOTTONI + DESCTORAT +	1.8270 (-0.0010)		OWNERS AND A REPORT OF THE REP	
Res 10 Year			June Days (14) THE THE PARTY.	at the last	Anna Dan 10 1981 198	THE REPORT OF		The second secon
	102108-001	101			Contraction of the local distance			Anty Parls, July 1 1 and
					and the second s			And and
						10 Tear Tree		Constant Paralle Course
tee (d Teer -			100	104.04		Contraction of the local division of the loc		and have the best play?
3.0	10.01		LUIL I	State of the second		Han 1211		The state fails, doi: 1.10.00
	10144-030		NEW LOCAL			Level 1,7458	100	
40			1 1 <b>1 1</b>				•	The for the state of the second secon
Marchill Team	NUM -LLD							Christopher Erverni, + 17 -
110	100 36 1010					1 A D		The servery close to 1.82
48	106.70 -0.00			1 100		905	1	Christianer Verenne 417 of
			for the design of the	State of Sta				Matthew Graham   1   1 pr.
ries				See.	1	1 1 14 14		I them for mentioned that a la titler pields.
	100,2100 (-0,0000) 100,0070 (-0,0100)		LIVE NOWS STREAM		CONTRACTOR	SHE'S	0.0	10 Martine Cratate

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



Watch the Video

#### **MBS Morning**

11:10 AM It's The Economy

Market Movement Recap

- 09:04 AM Weaker start, but pushing back toward unchanged. MBS down 1 tick (.03) and 10yr up less than half a bp at 4.442.
- 02:23 PM Decent gains into mid-day hours. 10yr down 2.4bps at 4.416. MBS up 2 ticks (.06).
- 03:50 PM Flat afternoon. MBS near unchanged, up 1 tick (0.03). 10yr down 2.2bps at 4.419

#### Lock / Float Considerations

The burden of proof remains on economic data to make a case for any significant improvement in rates. In other words, don't expect big, sustained improvement without markedly weaker data/inflation. This doesn't mean rates can't drop here and there, but it does mean there's not currently a reason for them to drop very much or for very long unless data makes a case for it. The best hope over the last 2 weeks of November is for volatility to subside and for the prevailing uptrend in rates to run out of steam. These are not the sort of hopes upon which to base lock/float strategy.

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

- Ceiling/Support (can be used as "lock triggers")
  - **4.49**
  - 4.43
- Floor/Resistance
  - ° 4.12
  - ° 4.20
  - **4.30**
  - **4.35**

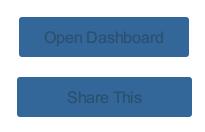
### MBS & Treasury Markets



MBS

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

US Treasuries					
10 YR	4.417%	-0.024%			
2 YR	4.283%	-0.018%			
30 YR	4.610%	-0.007%			
5 YR	4.281%	-0.026%			



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