



MBS Recap: Still Waiting For an End to Unfriendly Trend



Ryan Hillard

Mortgage Broker, Forward Mortgage Group, p/b IMB NMLS #2191655

www.forwardmortgagegroup.com

P: (720) 201-7261

M: (720) 201-7261

200 Union Blvd
Lakewood Colorado 80228
1226157



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.





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.

Technical/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - o 4.49
 - o 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%

[Open Dashboard](#)

[Share This](#)