Daily Coverage. Industry Leading Perspective.

MBS Recap: Getting Back to Normal, For a Few Days Anyway



Joseph Lee MLO, JLMLO INC jlmlo.com P: (213) 841-4789 joseph@jlmlo.com NMLS#996767

DRE#2141965



Getting Back to Normal, For a Few Days Anyway

MBS Recap Matthew Graham | 4:24 PM

After a decidedly abnormal 6 weeks beginning in early October, bonds began to calm down last week. This offered some hope that the brisk volatility and selling pressure was subsiding. With 10yr yields closing inside a 3bp range for 5 days in a row, the restoration of normality is basically confirmed. Today's data didn't have a big impact, but we wouldn't expect it to (based on the mixed signals). Bonds continue waiting on early December data for the next big push in one direction or the other. The upcoming week is always a bit of a wild card due to the holiday and month-end, but the fact remains that there are no truly top tier market movers.

	MMBSLIVE	🛄 * HEF * 100.1 * MITINGS * 🛄 GLONE MI	
net naces 01	D FREAL THE CHART MANE	FRALTHE OWNERS	WES LIVE OWN
	STREETWARKS W. PRO DESK LOW MIN	In fear Transver - Proc. once under	COROL OF MA
	104.71 104.71 104.81		GerOutney
Pros Bitland Life	106.75 (0.00) (new proves - processes -	1.8270 (-0.0010) Over prove -	1000
Nor 36 Year Concerning State	June Care 24 THE THE THE WAT THE THE	Josep Charl. 24 THE THE THE NEW THE THE THE	the fact that the second second
La Hallow La Constantino	In the loss of the loss one of the loss	Trave Const. (20) [200; 2000; 2000; 2000; 1000; 1700]	They shill placed much lower
			And Parks, Aug. 1. 1 and
KB 10675-680 -680		18 fear Descary	Con state Danke Linger
fee (8 Plast - Free Plant	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	A 100/012000	Tanta and the set of the start
		Que 1200	Anty Parts, Martin
35 105.44 10.00 10.05		Cartone AN	Tank stocks playing a role
48 10729-110 4112		Gene 1 Mar.	an barn appie beat or as
No. 50 Team (res) (res)			
			Christopher Erroner + 1 ar way door in 1 82
			Con Christianer Sevense 11
			The line has been being \$ 400
	The second se		Mathew Graham) = 10 pr
fee Post Viet	Also Har	a star i star to star i	 I then he mentioned had a title yields.
100,2109 (-0.0000) 0.0110 (-0.000)	the second secon		Bathers Graham 1 11 an
	LINE NEWS STREAM	Charles and the second s	all 102 hi a Be arts buge b
	Aller And address tons . Aller Chart	USER REPORT OF PARTS 00	Collect Demand. 110 pr.
	MILLIN LAUNA	Ond a tendercase source reprise?	an here apport even to
	With Recipt Frend Warture Consultants Avenue (CAA)	Cold & Monitor and Temporal Property Regard Register	The site and has to meet it
11210751111111 2401010100	Annual fractioner at 1774	Tagena & company	in measured by value. Carr
	The COD's Densities they have well Europe Takes Present and \$7	Taken Provider	second 10% of the loter sta
e pring providel o performing with Thomash Roylers Inne In: Tatle 😜 Rank Park 🧿	Content of Content on Financial Education	Telay 0 7 Ver Q	Well Hardpers
MICOLENGAR	0.0 Party and a surrow of the sure of the sure of the sure		The for Darrisk 1 in an

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



Watch the Video

Update

10:00 AM Slightly Weaker After PMI Data, But Some Solace From Internals

MBS Morning

12:03 PM Evidence Continues For The Sideways Slide

Econ Data / Events

- • S&P Services PMI
 - 57.0 vs 55.2 f'cast, 55.0 prev
 - Consumer Sentiment
 - 71.8 vs 73.7 f'cast, 70.5 prev
 - 1yr inflation expectations
 - unchanged

Market Movement Recap

11:29 AM stronger overnight and steadily weaker during domestic hours. MBS unchanged and 10yr down 1.1bps at 4.409

01:39 PM Little changed from last update. MBS up 2 ticks (.06) and 10yr down 0.9bps at 4.412

03:58 PM Super sideways, all day, but a bit stronger for MBS, now up an eighth of a point. 10yr down half a bp at 4.417.

Lock / Float Considerations

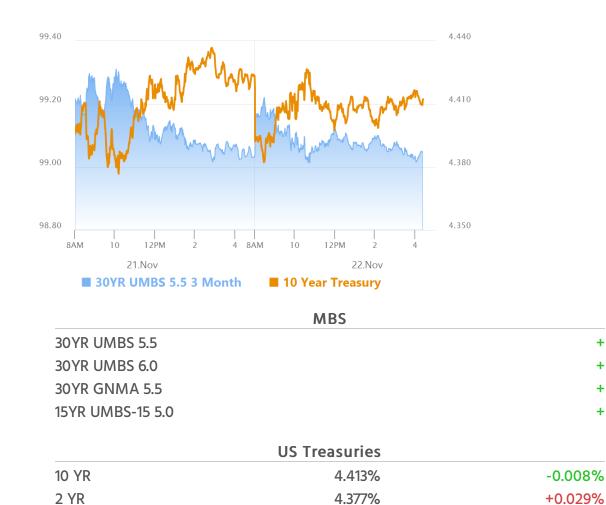
The burden of proof remains on economic data to make a case for any significant improvement in rates. In other words, don't expect big, sustained improvement without markedly weaker data/inflation. This doesn't mean rates can't drop here and there, but it does mean there's not currently a reason for 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, but it does generally seem like

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

this is what's been happening.

Technicals/Trends in 10yr (why 10yr)

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



4.597%

4.305%

÷

+

÷

÷

-0.004%

+0.003%

MBS & Treasury Markets

30 YR

5 YR

${\mathbb G}$ MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

Open Dashboard

Share This