Daily Coverage. Industry Leading Perspective.

MBS Recap: Friendly Fed Comments No Match For The Range



KV Mortgage



Friendly Fed Comments No Match For The Range

MBS Recap Matthew Graham | 3:52 PM

The day began with a bond rally courtesy of geopolitical headlines (martial law declared in South Korea). Traders were done reacting to the news by 9am and yields were heading back up after that with a 10am push from stronger JOLTS data. There were several friendly comments from Fed speakers in the early afternoon, but they only materially benefitted the short end of the yield curve (i.e. 2yr yields are lower on the day while 10yr yields are several bps higher). The other way to view the move is simply that the bond market rallied as much as it was willing to rally by the end of last week and yields haven't been able to make any additional progress since then. Indeed, each of the past 3 trading sessions has seen a 10yr yield low of almost exactly 4.17%. Tomorrow brings an important slate of econ data with ADP employment, ISM Services, and an afternoon Powell speech.

	MMBSLIVE	🛄 * 10.0 * 100.5 * KIINGS * 🛄 GLOW W	
THE PIECHS 0 0	TREAL TIME CHART MANS	0 D REAL TIME CHART (KD)	MES LIVE OWN
non attacts -	106.75 (0.00) Cover create and the second se	■ The Theory ■ Anno Anno Anno Anno Anno Anno Anno An	Concerne
Note 14 Frant Frant Frant Frant Frant 3.6 Mail Mill (Mill (Mill)) Control Control Control 3.5 Mail (Mill (Mill (Mill))) Control Control Control 3.6 Mail (Mill	Mary in france	an Description of the first that that the first that	And the field of the set of the s
International System Test Test 2013 1400 24 - 1400 4400 2015 1400 24 - 1400 2010 2016 1400 24 - 1400 4301 2017 1400 24 - 1400 4301 2018 1400 24 - 1400 4301 2019 1400 24 - 1400 1401 2010 1400 24 - 1400 1401 2010 1400 24 - 1400 1401 2010 1400 24 - 1400 1401 2010 1400 24 - 1400 1401			Christopher Unwern and driving these to 132 Christopher University of 132 Christopher University of 132 Christopher Carbons 1 of 142 Christopher Carbons 1 of 142
the same factors to the constraints the same sectors to the same sectors the same sectors to the same sectors the same sectors to the same sectors the same sectors	Mar and Galacies - Verse - Andrew - Market - Verse - Andrew - Market - Consultance - On - O	The second secon	Given Densared Longer Given Densared Longer Texter Densared Section Me Texter Densate TexteDensate Tex
AND CALINGAT O Are that Team Tanana Tan And Tan Ing, January 2020 and Tan And Tan And Calindan And Tan And Tan And	THE R. P. LEWIS CO., Name of Address	VIDEO	There benefit to a memory of the terms of terms of the terms of terms of terms of terms of terms of terms of
Destine in temperature del del del del del del del del del de	Note: 1 1294 Law Maring Count Waltynger? We Not The Apricalignes 1997 - 1996 Council 2 1999 1997 - 1996 Council 2 1999	121 pm Nove Faces Nove - Holes - Holes 115 pm Revited Viero John Strander 115 pm Facebox - Holes - Ante Strander 125 pm Facebox - Holes - H	And You Galact 1

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

Watch the Video

1100			
MARC	NA C	orning	
IVIDS	1111	orning	ч

9:57 AM South Korea... Martial Law... And a Bond Rally?

Update

10:11 AM Giving up Some Early Gains After JOLTS Data

\lert

11:04 AM Weakest Levels of The Day

Econ Data / Events

- • Job Openings
 - 7.744m vs 7.480m f'cast, 7.372 prev
 - Job Quits
 - 3.326m vs 3.071m prev

Market Movement Recap

- 09:36 AM Slightly weaker overnight, then stronger on geopolitical headlines. MBS up 2 ticks (.06) and 10yr down 1.7bps at 4.177
- 10:55 AM At the lows of the day with MBS now unchanged and 10yr up 1.2bps at 4.206
- 02:48 PM Modest recover into 1pm hour, but back near same lows now. MBS down 3 ticks (.09) and 10yr up 1.9bps at 4.213

Lock / Float Considerations

Bonds made it through the Thanksgiving trading week in the best possible shape relative to the incoming data. The rising rate trend from October was defeated 2 weeks ago and the initial sideways trajectory gave way to a modest recovery. Nonetheless, it continues to be up to incoming economic data to determine the next "real" move in rates. On that note, it's the most critical week of the month with several strong supporting actors in the coming days and the big jobs report on Friday.

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

10 YR

2 YR

30 YR 5 YR

US Treasuries	
4.232%	
4.176%	

-0.007%	4.176%
+0.051%	4.408%
+0.035%	4.114%

+0.038%

Open Dashboard

Share This