MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Friendly Fed Comments No Match For The Range



First World Mortgage First World Mortgage www.firstworldmortgage.com 127 Prospect Avenue West Hartford CT 06106



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	🔟 * 100.5 * 100.5 * 10105.5 🔲 0.000.5	6308 •
THE PRO	785		THEAL TIME CHART MAIN	9 0 FRALTHE OWERS	MEALINE OWN
1.00				and a state frame of the state and	CODE OTHE
	Prot	No Dana	106.75 (0.00) total ortext - to	the same a same the time the	General Andreas
Mar 16 Year / Pain			Just Carl M SR SH SH SH SH SY SY	Josep Charl. 24 THE THE THE THE THE THE THE	They shall be and the set of the
34	10104-000	100			Anda Parla, de ; 1 /
				The Avenual States Street	An a first farmer and the start
Here (10 Term	NO. N. C.	144		In an Open LANS	
111	100.00.00	100		AND	Tanta starts starts a sin b
	10720-111			A PARTY CANADA	
Bellin Tear and the				Constant P	an typen, apple boar or nar
					Christopher Einennei + 17 -
E35			T THE	Market Market	Christenter Verseen + 17
	106.78 -0.00				The loss has been been 1.87 for
			the state of a state of the state		Butthew Grahami a 14 per
afters .			Also Also	a star i star	10 parties
	100,2109 218,00003		CENT NEWS STREAM	2 PM	Balthere Graham an an
	NOR DEPENDING INCOME.	1000 (0000)		And	and the set of the set
	VALUES OF STREET,	14210 101000	And and and provide and the state	the effective of the second seco	Callert Designed, 110 per
		14010 (10010)	Million Andrea David Markets Consultants Allow and Cont	Del a lander del nove a repris 7 Anna Manter	The bar Dariely, 114 per

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



Watch the Video

MBS Morning

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

Update

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

Alert

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

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

US Treasuries					
10 YR	4.232%	+0.038%			
2 YR	4.176%	-0.007%			
30 YR	4.408%	+0.051%			
5 YR	4.114%	+0.035%			

Open Dashboard

Share This