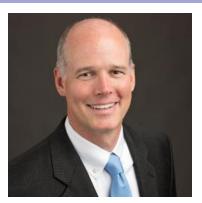
MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: No Whammies From Powell as Rates Rally on ISM Data



Patrick Smith Executive / Management / Banker, Integrated Funding P: (919) 847-2766

4098 Barrett Dr Raleigh NC 27609 67369



No Whammies From Powell as Rates Rally on ISM Data

MBS Recap Matthew Graham | 4:32 PM

Bonds came away from this morning's economic data with a tailwind that helped turn losses into gains. The ISM Services PMI was the biggest contributor. In addition to headline PMI being much weaker than expected, the employment index was also lower than last month, and the price index was unchanged. The only thing bonds had left to fear on the day was Powell's afternoon Q&A, but there were no surprises and, thus, no reaction in rates. Lenders were free to reprice for the better if they hadn't done so before Powell. Despite the gains, trading levels continue hitting the same resistance marked by 10yr Treasury yields just under 4.20%.

a Na sana kana kana sa sa sa Sana			
	MMBSLIVE	🕅 *	
ter norms 0	EAL THE CHART MANE	FRALTINE CHART (R)	WES LIVE OWN
1.14	STATE FIRE ALL W. PROF. STATE AND	to fear Teasury . Pitty State Line Line	CONTRACT OF THE
Prop BY Dame	106.75 (0.00) 100.75 100.75 100.81	1.8279 (-0.0010) Love Core Core	Genr Outches
Res 10 Year 1			
La Mal ha man	Just Charl 24 Dill Tell Sol Sol Sol Sol Sol Sol	Zoore Chart 200 DBE THE DBE NOT DBE DBE	They all closed much lower
55 NO.08 (10) 100			
4.0 104.75 -0.00 MM		10 feet factory	1 10 m
the 10 Year of the State	1	A 100/01/2009	Contraction and they play?
38 105 15 1 10		Open 1/414	And And Parks, March 19
15 10144-030 615	The second	A DAY DAY AND	Tant storts playing a nin to
48 10729-100 1012		Con Line 1	alater Darbit, 1
Hel Di Teat (1991)			an Agures, Apple bead or ear
			Christopher Einesen: + 17 -
			BOR Oncidentary Streement + 17-
14.0 106.70 40.00 40.01			The he had been this to
	The state of the s		Rethre Graham, 1 14 pr.
after Prop York	All Alle	a de la trans a de la	then for mentioned had a t
100,2109 248 20003 8 5 110 24 100	the second se		Battlere Graham - 1 an
	LIVE NON'S STREAM		107 to a Be arts legge Ba
	Allow And an inter the Allow Allow	LINER REPORT OF PROCESS OF O	BUR Genert Demand Litter
		Del a tendeciate revera reprint?	an here apport were to b
	With Recar Deve Waters Consider Aver \$1000	Cold a function of the second	The law burnets in the set the
112 MPS LABORY 2 4010 10 MIN	Annual Ten state at 1784	Taxana Bornay	is measured its value Carter
	THE COT'S Denotes Days Tens. Will Campe Take (Proc. (1))	100 mm	exceed 10% of the lotal mark
ne prone provided in parlamenting with Theoreman Rowland Room In: Tarta 🌒 Room Parla 🧿	Contractions COTTON Conductions for Financial Educations	Today 6 7 View Q	Wet Hurtper, 111
MC CRETWORK	O O Description of the second second second second	and the same in th	The bank to an

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



Watch the Video

Update

8:18 AM ADP Employment Right in Line With Forecast

Update

10:03 AM Stronger Gains After Weaker ISM Data

MBS Morning

12:00 PM Friendly Data Helping Erase Overnight Weakness

Econ Data / Events

- ADP Employment
 146k vs 150k f'cast, 233k prev
 - S&P Services PMI
 - 56.1 vs 57.0 f'cast, 55.0 prev
 - ISM Services
 - 52.1 vs 55.5 f'cast, 56.0 prev

Market Movement Recap

- 08:23 AM Moderately weaker overnight and little-changed after ADP data. MBS down 6 ticks (.19) and 10yr up 5bps at 4.273
- 10:03 AM MBS up to "unchanged" after the ISM data. 10yr up 1.6bps at 4.24. MBS outperforming due to strength in the short end of the yield curve (i.e. 2yr yields are down 0.8bps on the day).
- 12:12 PM stronger still... MBS up an eighth and 10yr down 2.8bps at 4.196
- 03:02 PM Steady near best levels. MBS up 5 ticks (.16) and 10yr down 4.1bps at 4.183

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. So far this week, data has merely helped rates hold near their lowest recent levels. The only major report left is Friday's jobs report.

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	4.184%	-0.040%		
2 YR	4.130%	-0.049%		
30 YR	4.349%	-0.058%		

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

