MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Ready For Anything After Pre-CPI Consolidation



James Cheeley Founding Partner/Sr. Mortgage Advisor, Lincoln Capital Advisors

www.lincolncapitaladvisors.com P: (678) 824-6563 M: (678) 824-6563

Trusted Mortgage Advisors 118012



Ready For Anything After Pre-CPI Consolidation

MBS Recap Matthew Graham | 4:10 PM

Bonds were arguably consolidating ahead of last Friday's jobs report with the reaction representing a bit of a bullish breakout. Since then, there's been a quick and obvious re-consolidation back in line with last week's M-Th levels. Today added to that process with most of the selling taking place by the start of the US trading session. Perhaps some of the selling has been an attempt to make room for this week's Treasury auctions, but there's no question that Wednesday morning's CPI data is the last significant piece of the puzzle that the Fed will receive before deciding "to cut or not to cut" next week. The market knows this, of course. As such, a big deviation from forecasts would definitely be enough to get things moving.

			MMBSLIVE	🛄 * 100.0 * 100.5 * MITINGS * 🛄 GLOW	
100.000	086	0.0	HEAL THE CHART BANK	0 0 NEAL THE OWNER (0)	MES LIVE OWN
11.18			2010 FIGHA 4.8 * PROF 100.07 100.70 100		COLUMN STAR
	Prop	And the second	106.75 (0.00) (methoday a state		Geor Out now
			Annual Control and The State and Tay Tay		The second second second
	NO IN COLUMN		Sources In Digital Section (19/104)	Land Charl. 20 Sec Sec Sec Sec 192	Tay still pleased much lower
5.5	10109-00100				Andy Parks, dog to 1 and
4.0	10675-680			18 feet freezes	Constant Paralle 1 in con
the 10 Te	a com			tin to the second secon	Aus and ture die bes pray?
		1994	11 M	Const 1788	Anty Parts, Act of the
	10144-010			10.14 1 NO 1001 10	21. Face shorts playing a rule to
				Con Line J	The tay Darries and the second
A Mar 20 Tear / Con					Charles and a second se
					ar way down to 1.82
	104.00 -171			MAY .	Christianer Neveral 117
					The first had been at \$2 to
			the structure is a state of the state		B Halfford Grahami = 11 pr
eten .		Yest	2.60	A size in the second second second second	10y years
			and the second se	2 PM	Batthew Graham Course
			LIVE NOWS STREAM	TOTAL PORT OF THE OWNER	and the sets bage the
			Aller Anteripter term aller	Gant DEREPORT PROTE 0	
			Million Andre	Del a lander per sova a reprisa? Realfloote	an here apport even for
			With Decisis Frend Markets Generalders Allow BURDE	Freed and an international and an international and an international and and an international and	The for Darsky 110 per

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



Watch the Video

MBS Morning

10:40 AM Inconsequential Weakness Part 2

Market Movement Recap

- 09:13 AM Modest weakness overnight. MBS down 5 ticks (.16) and 10yr up 2.7bps at 4.225.
- 12:50 PM MBS sideways, still down 5 ticks (.16). 10yr up 4bps at 4.239.
- 03:23 PM Some strength in PM hours. MBS down 2 ticks (.06) and 10yr up 2.4bps at 4.223

Lock / Float Considerations

Rates are at the lowest levels in a month and a half after the jobs report. That's a compelling lock opportunity for the risk averse crowd. While there's no guarantee that recently friendly momentum will continue, the risk-tolerant crowd tends to approach these scenarios from a "trailing stop" mindset (i.e. waiting for bond market weakness to force their hands). As always, the specific amount of weakness would be a subjective decision for the client/scenario in question.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - ° 4.43
 - **4.35**
 - 4.30
 - ° 4.20
- Floor/Resistance
 - **3.99**
 - ° 4.12



MBS

÷

30YR UMBS 5.5 30YR UMBS 6.0 30YR GNMA 5.5 15YR UMBS-15 5.0

US Treasuries					
10 YR	4.227%	+0.029%			
2 YR	4.146%	+0.025%			
30 YR	4.419%	+0.032%			
5 YR	4.098%	+0.014%			

Open Dashboard

Share This