## MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

# MBS Recap: Ready For Anything After Pre-CPI Consolidation



Nickolas Inhelder Mortgage Broker, Aslan Home Lending Corp

www.AslanHLC.com P: (720) 446-8778 M: (858) 229-9533 nick@inhelderinvestments.com

1777 S. Harrison St. Denver CO 80210 2037157 - CO, FL



### 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.

¥.1				an Marine Marine and States and States		- 31				
			MMBS	LIVE	10				GLOW ST	
INC FROM	má	0.0	HEAL THE CHART MANE		0 REALTINE ON	NAT (KD)			000000000000000000000000000000000000000	MES UNE OWN
12.18			STREAMAN *	PROF 1993 Line mile 104.75 104.77 104.75 104.84	10 Year Trees	- Th				COLOR OF MAR
		No Change	106.75 (0.00)	CHARLOW TOUCH TOUCH	1.8270 (-				NAME OF BRIDE A	
Res 10 Year			Junction 10 102110	THE NET THE THE	Ince Out 1	Non-Your	100 100 100	THE P		The set of
		100			t and the second se					Anty Parls, Jug 1 17 yrs
										And Party Party and Party and
						1		10 Fear Sea		Con Date Dank 1 have
fee 30 Toor			1	104		10 C	1000	1,077/18183 Open: 1,7630	- A	and sole doll here play?
					1100		α a	High 17470		Anty Parts, All Colors
	100.44 -0.00				· II & M			Low 1.7850	442	21. Fant stocks playing a role for
4.0			1 III (800.00					Open 1 1960		The for Darial, 1
Red Di Tree									-	Christopher Einverst, 117 or
						_		1.0	(1)	ar way close to 1.8.7
								LIN.		Contractory Services 117 or
										The first has been being that has
			Section of the section of the	and a star of the local division of the loca						Wathew Grahami and pro-
ries -				2 Aug		-				I them for mentioned that a to filter weblin.
	100,2109 (10,0000)	-	UNE NON'S STREAM		-				P Au	Baller Calante in an
	and being and being	A REAL PROPERTY.	The second se	And in case of the local division in which the local division in t	CONTRACT.	CONT OF	BOLL		0.0	and the second s

© 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

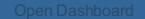


MBS

÷

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%				



Share This