MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Ready For Anything After Pre-CPI Consolidation





1st Choice Mortgage Mortgage Broker, 1st Choice Mortgage Company, LLC

www.375Loan.com P:(208) 375-5626

3023 E Copper Point Dr Meridian ID 83642 380736



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	10 · 10.7 ·		GLOWN SCIED	
100.000	CING .	0.0	REAL TIME CHART MAIN	O O REAL THE CHART SO			MES LIVE OWN
11.18			3010 FIGURA 6.0 * PROF 100.07 100.			-	COLOR OF MAL
	Prop	And the second	106.75 (0.00) Count of the			CALCER CONTRACT OF	Gen Out Pare
-		Test I					the last threads a second
	NO NO INCIDENT		From Chart 24 100 100 100 100 100 100	Inste Chart M SET	ACCENT AND LAND LAND		Tay all doord much lower
11	10108-0110	100		10 m			Anty Parts, July 1.1 (1)
	10675-630				18 Year Trees		Construction in and
tion 10 Tes	- 1 m			114.11	100/05/02 0		Seat and the sea star?
38	145 M -C -R			A 751	Open: 1,7830 High 1,7831		And And Parks All Lines
	100.00.000			AL 1944 1 1 1	Low 1,7858	140	The state states playing a rule to
					Over 1 794		The Barriel Comment
Mar Do To						-	an bere, apple head of east
						(f)	ar way down to 1.62
	NOARE -LTN			No. of Lot of Lo	CALC: N		Christianer Verenne 117.
							The loss has been been the to
			In the state of the state of the state				Butthew Grahami a 10 per
attes .			Also Die		1 1 14 14		10 ratio
			and a second sec				Batthew Graham + 11 am
			LINE NEWS STREAM	Total Revenues	innas		📲 10 hi a be arts bage ba
			States And and index Anna	Alager Gheet (State Street		00	Galant Demands 1 10 pr
			Manager and Manager	Del a landar per no	ton a reprice?	authors'	an han apportant for h
			With Decision French Markota Generaldeles Alterna (64)	And Republication and Andrewson and Andrewso	The surveyords		The for Darahi, 171 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