

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.



## MBS Recap: Bonds Hold Ground Despite Unfriendly Econ Data

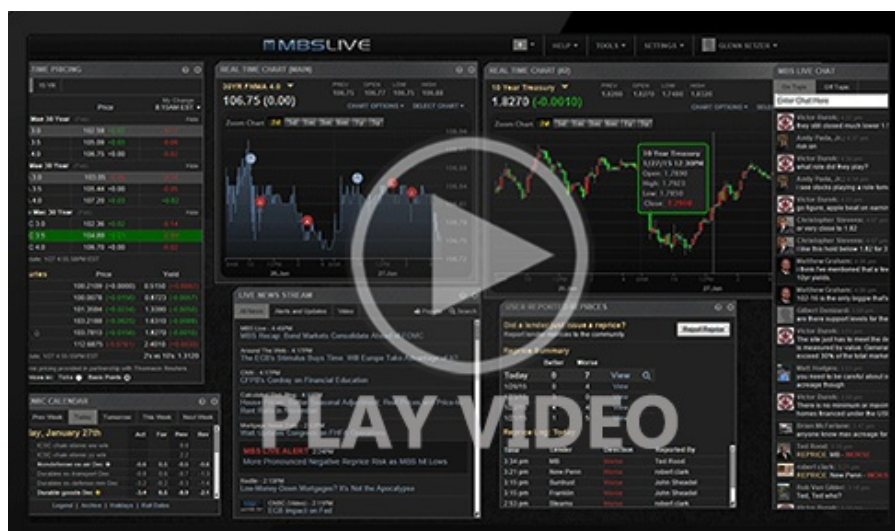
**Justin Grable**  
President of Mortgage Lending, ABLE Mortgage  
[www.ABEMortgage.com](http://www.ABEMortgage.com)  
P: (951) 899-0009  
M: (951) 899-0010  
[justin@ablemortgage.com](mailto:justin@ablemortgage.com)  
41923 Second St.  
Temecula CA 92592  
NMLS246763  
CADRE01411989



## Bonds Hold Ground Despite Unfriendly Econ Data

MBS Recap | Matthew Graham | 4:22 PM

If there was a prime directive for the bond market last week, it was to sell off regardless of any counterargument from the economic data. The new week got off to a distinctly different start with stronger economic data only causing a temporary inconvenience for bonds. Both MBS and Treasuries were pushed back in line with Friday's weakest level, but both found support in the PM hours before going on to make it back to unchanged territory, or close to it. Volume was low and the volatility was small in the bigger picture, but at the very least, it was nice to see a different reaction than last week's default weakness.



Watch the Video

9:52 AM Losing Ground After S&P PMI

## MBS Morning

12:26 PM More Stable Start, For Now

## Econ Data / Events

- ○ NY Fed Manufacturing
  - .20 vs 12 f'cast, 31.2 prev
  
- S&P Services PMI
  - 58.5 vs 55.7 f'cast, 56.1 prev

## Market Movement Recap

- 09:46 AM Modestly stronger overnight, but giving up gains in domestic trading. MBS up 2 ticks and 10yr down less than 1 bp at 4.385
- 12:15 PM Trying to bounce after hitting weakest levels. MBS down 1 tick (.03) and 10yr up 0.7bps at 4.399
- 03:28 PM Off the weakest level. MBS unchanged and 10yr 0.2bps higher at 4.394

## Lock / Float Considerations

- The new week is off to a bit of a different start when compared to last week's moderate but pervasive weakness. Unfortunately, one day isn't enough to confirm that last week's trend has done anything but simply run out of steam. A full-fledged reversal would require a positive reaction to this week's data and Fed announcement (and dot plot).

## Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - 4.43
  - 4.35
  - 4.30
  - 4.20

- Floor/Resistance
  - o 3.99
  - o 4.12

## 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	4.398%	+0.006%
2 YR	4.250%	+0.012%
30 YR	4.605%	+0.006%
5 YR	4.254%	+0.006%

[Open Dashboard](#)

[Share This](#)