MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Bonds Hold Ground Despite Unfriendly Econ Data



Gary Kesler Executive Finance Manager, Central Valley Home Lending

www.cvhlending.com M: (916) 804-0142 gary@cvhlending.com

3461 Fair Oaks Blvd. Ste 125 Sacramento CA 95864 CVHL NMLS #2455817 MLO NMLS #693579



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.

	675.748 Feb. 1.8			and a second state of the					
		MMBSLIVE		🖬 * 100.0 * 100.0 * 100.0 * 🔝 0.000.002					
INC PROM	4		REAL TIME CHART MANE	0.0	HEAL THE CHART HO				MES LIVE OWN
10.148					10 Year Deputy Y		NA LON M		10220 011et
	Pro-	No Change	106.75 (0.00)	CHARTONNAL MARCHINE	1.8270 (-0.0010			ADE DESCRIPTIONS & SE	Gran ChatThere
Not 18 Year' 1' Faits		Just Carl M SET SE SE SE SET SUITS		Town Chart Mr THE THE THE THE THE THE THE			The barrets and an and		
				108.04	Construction of the second				They shill closed much lower 1
									Andy Parks, July 1.1 (1)
							10 Fear Swarps		Constant Paralle 1 hours
fee 30 Year -				104.04			1,127,118.1.2.30P	· A.	and size of they play?
			11.45	•	LAC N.	1	Open: 117830 High: 117821		Anty Parts, Act of Mart
	105.441-0.00		hilling a	In the local sector			Level 1.7858	202	21. Frank shocks playing a rain for
			1 II 10 10				Once I THINK	1.1	The Star Parents of Star
Rep 20 Taxet								-	
							1.0	1	Christopher Errones: + 17 -
			T THE				10.10.1		Son Christianian Strenman, 117-1
							1.4		The line has been being 1.87 for
			The Double of State	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					Bathew Grahami 1 11 pr
fiere .	Page	A MARK		200					then he mentioned had a b

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



Watch the Video

Alert

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

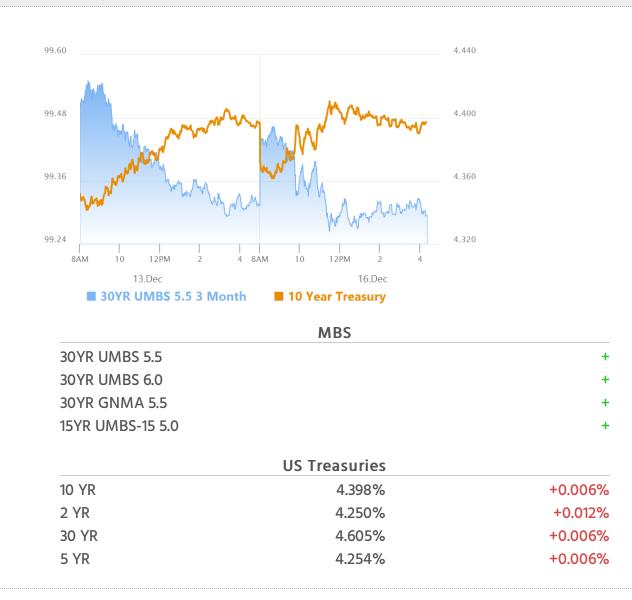
- 09:46 AM Modestly stronger overnight, but giving up gains in domestic trading. MBS up 2 ticks and 10yr down less than 1 bp at 4.385
- 12:15 PM Trying to bounce after hitting weakest levels. MBS down 1 tick (.03) and 10yr up 0.7bps at 4.399
- 03:28 PM Off the weakest level. MBS unchanged and 10yr 0.2bps 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**
 - ° 4.12



MBS & Treasury Markets

Open Dashboard

Share This