Daily Coverage. Industry Leading Perspective.

MBS Recap: Calm and Resilient as Bonds Wait For Powell and The Dot Plot

Justin Grable

President of Mortgage Lending, ABLE Mortgage

www.ABLEMortgage.com P: (951) 899-0009 M: (951) 899-0010 justin@ablemortgage.com

41923 Second St. Temecula CA 92592 NMLS 246763 CA DRE 01411989

Calm and Resilient as Bonds Wait For Powell and The Dot Plot

MBS Recap Matthew Graham | 3:56 PM

Whereas last week saw the bond market continue selling off without overt provocation, the first two days of the present week have seen far more equanimity and even resilience. Today's example involved a modest rally following a mixed bag of Retail Sales data. Bonds didn't move much after recovering overnight losses, so now it's on to tomorrow's Fed announcement. Markets know the Fed will cut and that the dot plot (aka rate outlook survey that's updated 4 times per year and closely watched by bonds) will show a higher rate trajectory than September. We also know Powell should sound a lot like his last few public appearances. What we don't know is how gloomy of a dot plot or how hawkish of a Powell the market is willing to accept. At the risk of jinxing it, this Fed meeting doesn't feel nearly as consequential as September, but could nonetheless help set the tone into the end of the year.

	MMBSLIVE	🗰 * 100.0 * 100.0 * 100.0 * 🔛 GLOAD	
THE PIECHS 0.0	THEAL TIME CHART MANY	THEAL THE OWAT HOT	MES LIVE OWN
	STORE FIRMA & B. P. Proc. State and	10 Year Treasury V Pick Lifes Life Hoar	COLOR OF MAN
Page 1 Tiger LTT -	106.75 (0.00) 00.75 100.75 100.05 100.05	1.8270 (-0.0010) Librar Carro Child Carro	Gen Out The
Res 16 Year / /res	Annual Court and The Third Star Star That The		The sector of th
10 NO 10 - CO	Zoon that 28 DR THE DR THE TRETTY IN	Zoore Chark Mr THE THE THE THE THE THE	
55 10508-010 100			Andy Parks, dog 1.17 pro
		18 feet features	
Real (8 Pear / Para	1110	Const 1/10	and some did they prop?
3.0 105.00 000 000		PART NAME IN COLUMN	Anty Parts, Act and an and by Tanks and a feature at the feature a
48 99728-100 410		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	The state based, 1 in an
The Differ of the second		Over 1288	an town, apple head of ear
10 NO 10 10			Christopher Street, +17
E35 NO488 171 E3F			ar very close to 1.82
148 19479-488 ABT			Christipher Versensi 117
	The set of sector and a set of sector and a set of sector and a sector and a sector and a sector a s		Watthew Graham, 1.11, pp.
eles Pos Yest	All and a second se	The state of the s	There has mentioned that all
10021091-00001 01110-00001	the second se	2.4	Ballers Graham + + ++
100.0078 (10.0100) 0.0703 (0.0005)	UNE NEWS STREAM	four erome reas	💐 102 to a the only bugge the
	Aller And an inter Aller Ches	· COLEMPTORIE PROF	Galact Denigred, 150 pr.
10.2100 (-1.021) 1.0210 (-1.0210)	MELLIN AND	Del a lander per severa repres? ReadTracter	The factor Darah, 111 pr
12002 10000 2000	WES Recap David Markets Canadidate Alife: 14/03/C	Report and an in the survey of	The alle just has to meet the
AN AD A DOMESTIC DISCOUNTS OF	Award the sease of 1996 The COT's Derivate Days Terms Will Earlier Takes (1999)	Partic Formaty	is measured to value Carte exceed 50% of the billy and
or print provided in performing with Thomason Readway		Line Real	The Mathematics
nan ar fata 🛊 fana fanh 🖗	Contractions COTTES Contract on Filoancial Education	Today 0 7 View Q	The sect to be careful above account of the section
NECOLENSAL 0	O House Statement and the set of the set of the set	arith man, 'man' and	There is to mention or man
Autors Taxes Taxes burns	THE R REAL TODAY AND A COMPANY		Norman Branced antier Bra S
sectored water a sectored to a sectored by the sectored sec	A MANAGEMENT OF A SAME AND A		Dian Maferiale 1 Con-
lay, January 27th and the Ann	The Control of Control		anyone book man actuage
CC characters are als 11	MES OVER LENGT DAMA	tore texts because Separation	A REPORT OF A REPORT
Antoine marine # 44 44 44 44	More Pronounced Negative Reprice Risk as M05 M Lows	3 Jacques 1410 Marcel Tax Rood	
Designed on Respond Desc. 418 618 617 (1) Designed on Antonio Desc. 117 (617 (617 (617 (617 (617 (617 (617	No. 1074	3.27 pm Rose Parts Sector Indext Clark 3.15 pm Surface Internation	SECOND REPORT FOR PARTY
Desile posts for a 12 41 41 41		111 an Further man ante Dealer	Bull Van Geber 11/
Logent (Autors) Makings (Rat Dates		233 pm Dearts Manue wheel date of	The first start

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

Watch the Video

Update

8:40 AM Hotter Retail Sales, But Internals Are Softer. Bonds Not Mad

MBS Morning

11:05 AM Once Again, Bonds Fight Back Against Stronger Data

Econ Data / Events

- • Retail Sales
 - 0.7 vs 0.5 f'cast, 0.4 prev
 - Retail Sales excluding autos
 - 0.2 vs 0.4 f'cast, 0.2 prev

Market Movement Recap

- 08:41 AM modestly weaker overnight and little-changed after mixed retail sales data. MBS down an eighth and 10yr up 3bps at 4.429
- 12:46 PM MBS up 1 tick (.03) and 10yr down 1.9bps at 4.382
- 02:08 PM MBS unchanged and 10yr down 1.7bps at 4.384
- 03:42 PM Losing ground slightly. MBS down 1 tick (.03) and 10yr down less than half a bp at 4.397

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. So far, this has simply meant "sideways" for bonds/rates. 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**

o 4.35

- 4.30
- **4.20**
- Floor/Resistance
 - **3.99**
 - **4.12**



MBS & Treasury Markets



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

US Treasuries			
10 YR	4.396%	-0.006%	
2 YR	4.245%	-0.010%	
30 YR	4.587%	-0.012%	
5 YR	4.257%	+0.002%	

Open Dashboard

Share This