Daily Coverage. Industry Leading Perspective.

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



Robert Cloud Mortgage Broker, Cloud Financial Group LLC

www.bobbycloud.com P: 5126272487 M: 5126272487

8007 Davis Mountain Pass Austin TX 78726-\_\_\_\_ 247321

## 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	🖬 * 10.0 * 100.5 * MITINGS * 📗 GLOWN W	
teel macaes 0	D REAL THE CHART BAINS	REAL TIME COURT (40)	MES LIVE OWN
-0.48	DEPERTMENT OF THE OWN AND ADD	to their Templore W . And a contra total main	COLUMN OF AN
Pros a Transition	106.75 (0.00) 101.75 101.75 101.85 100.85 10	1.8270 (-0.0010) Later Later Later Const prime a	Disr Dutries
Res 10 Year' / /u	Annual and the first that the training that	Design Court and The Third Third New York Third	The bar Dariely of the second second barren
10 10030 101 100	I IIII	THE CASE IN THE THE DRIVE AND THE THE	Andy Parland Aug 1 and
			And an
10 100751-000 000		Hiter Incore	Con pictur Danke Linus
Real (8 Real (14))	1111	Contract of the second se	Ave. State of the state
3.0 10.05 4.06 12.04		C.C. BALLAN	Anty Parts, AC LINES Taxet starts starting a role 1
35 9844-439 483 48 9829-430 440		6 1 W 1 64 1708	Table Darbit, 1 17 per
43 99729-410 9402 Red Miller 21		Conc. 12844	an intern apple beat of an
530 NO 10 10			Christopher Streems, 117
C15 NAM -111 11			22 ar very close to 182
148 1 108/19 1088			Christigher Sevens: 1.17
see hit was served at			Barthers Graham 1 - 1
ates Paus Yant	A CONTRACTOR OF A CONTRACTOR O	A REAL PROPERTY AND ADDRESS OF	then he methoded hat a
		2 M 2 M	Bathew Graham +
1003078 (100500) - 04723 (10057		forseron press	💐 102 hi a Be arts bage B
	Allen And and party lines and all and the	A DECEMPORT PROCE CO	Callert Dentard, 110 per
10221001-120212-14210-12010	Million Andre	Del a tender per seve a repter? Readfacter	The fact the second for
0 100,000 10,000 1,000 10,000 10,000 10,000 2,404 10,000	WITH Recip David Warker's Consolidate Alifest Auf (SAC	Restlement for the second	The site and has to meet the
in the second se	Avera the search that	Page Rowney	In measured in value Carr exceed 10% of the lots no
or pring provided in parliancing with Thomason Readway	The COLUMN PROVIDE A REAL	Mar Real	The first index and the
nes at Tata . ten furb .	Contractions Contract Contract on Financial Education	Today 6 7 Vew Q	The based in the careful also accessed financial
NECOLINGAR	O O Date State State State of the State of the state of the state	aritis min. 'mate	The later Dank 1 in an

© 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
  - · 4.35
  - 4.30
  - 4.20
  - · 4.20
- Floor/Resistance
  - **3.99**
  - **4.12**

### **MBS & Treasury Markets**



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