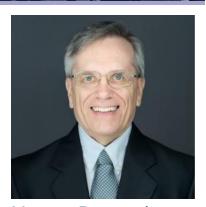
MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

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



Harvey Bernard Real Mortgage Consultant, Winner's Mortgage

www.winnersmortgage.com **P**: (612) 852-5000 **M**: (612) 852-5000 harvey@winnersmortgage.com 363188



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.

			MMBS	LIVE	B1			area erez	
THE PROPERTY		0.0	HEAL THE CHART MANE	0.0	REAL THE OWNER				MES LIVE OWAT
12.44	-	a the care of	106.75 (0.00)	THE OTHER LINE HERE SHATS SHATT THAT'S SHARE CONTROLS - BRACTOWER-	1.8270 (-0.001				Gen Challen
Red To Taxat Inc.	Million From From		June Card IN THE THE THE WAY THE THE THE		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Town Coast IN THE THE THE NEW YOR THE THE			They shall depend on an interest to
		104			A DESCRIPTION OF THE OWNER				
	10109-1010								And Pala Art 1 1
							18 Feat Descerpt		Con more hands there
New 30 Years of co			100	104.04			1,02/13-12 30 ⁴	1 A.	and one of key pay?
		1984	E 1 401	•		- C	High 12511		And Rada Bala Act and pro-
	00.00			THE PROPERTY AND			Low 117930	202	The state playing a rate for
			1 II II II II						The test in the second
Rep 20 Year 11							-	-	Christopher Sprenni + 17 p
	0.04 40.00						1.1	(i)	ar way close to 1.82
	04.00 1011			A State			ALC: 1		Contraction Conversion (117 or
							1.00		The first his host being 1.87 for
nie sijf kristiske Fles					-				Bathers Graham, 1 11, 21 Bathers Researchered Rada &
			LINE NOWS STREAM						Buttere Graham + 1 mm

© 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

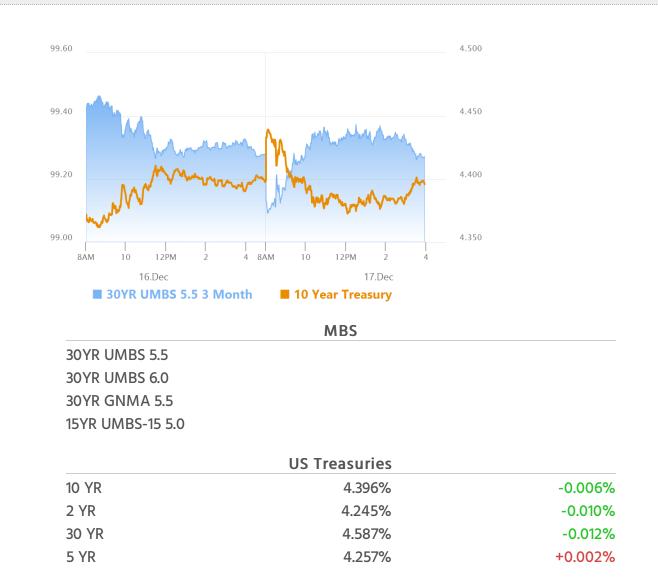
- 08:41 AM modestly weaker overnight and little-changed after mixed retail sales data. MBS down an eighth and 10yr up 3bps at 4.429
- 12:46 PM MBS up 1 tick (.03) and 10yr down 1.9bps at 4.382
- 02:08 PM MBS unchanged and 10yr down 1.7bps at 4.384
- 03:42 PM Losing ground slightly. MBS down 1 tick (.03) 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**
- Floor/Resistance
 - o **3.99**
 - ° 4.12





Open Dashboard

Share This