MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Fairly Uneventful Follow-Up to Fed Day



Dale Walker Mortgage Advisor, C2 Financial

P: (949) 632-1828 M: (949) 632-1828 dwalker@c2financial.com

12230 El Camino Real San Diego CA 92130 NMLS # 241463, CA DRE # 01491223 C2 NMLS# 135622, C2 CA DRE# 01821025



Fairly Uneventful Follow-Up to Fed Day

MBS Recap Matthew Graham | 4:29 PM

Considering everything that transpired yesterday, today's follow-up was about as calm as we could have hoped for. Bonds lost ground, but the losses were focused on the long end of the curve. That limited the damage for MBS, which have been hanging out with the middle of the curve these days. AM econ data was a mixed bag despite appearing to be unfriendly at first glance. If it had any ill effect, it was minimal. In the bigger picture, Thursday simply represented a leveling-off after Wednesday's rout. Friday brings monthly PCE inflation, which is certainly capable of causing a big reaction, but it almost never lives up to that potential.

| | | | MMBSLIV | e | Mr mer | | an stor | |
|----------------|------------|--------------|--|--|-----------------------------|----------------------|---------------------------|-----------------------------------|
| INC FROM | | 00 | REAL TIME CHART MAN | | HEAL TIME CHURT (KD) | | - | MIS LIVE OWN |
| 10.10 | | | DAVE FORMAND | treat the same | 10 Year Treasury Y | | *1* | COLUMN OF MAN |
| | Prov | a the Change | 405 75 (0.000 BLD | | 1.8270 (-0.0010) | | CALOR CALARY DATIONS 4 | Des Outres |
| Res 20 Year 1 | | | Junction In the tax because | 1000 | Described IN THE THEY | NAME AND POST OFFICE | | the last banks to the |
| | 100.04 | | the second second second second second | 10.04 | THE OWNER AND THE THE OWNER | THE RECEIPTION OF | | They shill placed much lower 1 |
| 18 | 10108-0101 | | | | | | | Andy Parls, dog 1.1 at |
| | | | | | | 18 Feat Seaso | | Con state Darak Lines |
| ine 30 Team of | | | 1.15 | 14.11 | | August 12 1 | PH | and one do has play? |
| | | 1984 | 11.00 | | 0.0 | High 1,7521 | | And Bally Parks, MULLINGS |
| | 10144-010 | | | A PROPERTY AND A PROP | | Low 117038 | 1442 | 21 Fant studte playing a role for |
| | | | 1 4 0 0.0 | | | | | a born apple beal of early |
| Rep 20 Team | | | | | | | | |
| | | | | | | | 11 | Christopher Envenne: + 17 |
| | | | | l Name | | CALC: N | 8 | Contractory Serverse: 117 |
| | | | 10 | | | | | The loss has been being 1.87 for |



Watch the Video

Update

8:37 AM Mixed Bag of Data But No Major Reaction So Far

Alert

10:05 AM MBS Down More Than an Eighth

MBS Morning

10:29 AM Weaker Momentum Continues, Regardless of Data

Econ Data / Events

- ° GDP
 - 3.1 vs 2.8 f'cast, 3.0 prev
 - Philly Fed Index
 - -16.4 vs 3.0 f'cast, -5.5 prev
 - Philly Fed Prices
 - 31.2 vs 26.6 prev
 - Jobless Claims
 - 220k vs 230k f'cast, 242k prev
 - Continued Claims
 - 1874k vs 1890k f'cast

Market Movement Recap

- 09:14 AM Sideways to slightly weaker overnight and little-changed after AM data. MBS down 1 tick (.03) and 10yr up 2.3bps at 4.537
- 02:08 PM Modest additional weakness into 1:30pm. MBS down 3 ticks (.09) and 10yr up 3.7bps at 4.552

Lock / Float Considerations

All bets are off until further notice following the Fed day rout. That said, it has been and continues to be the case that any meaningful improvement in rates will require downbeat economic data and softer inflation. At this point in the year, we're waiting until early January for the next major shoes to drop (NFP and CPI, specifically).

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - o 4.57
 - · 4.50
- Floor/Resistance
 - ° 4.20
 - · 4.30
 - **4.35**
 - **4.43**



MBS & Treasury Markets

US Treasuries

| 2 YR | 4.317% | -0.038% |
|-------|--------|---------|
| 30 YR | 4.698% | +0.108% |
| 5 YR | 4.422% | +0.014% |
| | | |

Open Dashboard

Share This