MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Steady Selling in Bonds. 'Tis The Season?



Sean Bailey Branch Operator, Caliver Beach Mortgage

www.investwithsean.com M: (678) 231-2462 seanb@caliverbeach.com Jacksonville FL 32073 NMLS# 2128276

Steady Selling in Bonds. 'Tis The Season?

MBS Recap Matthew Graham | 4:00 PM

Bonds began the day in weaker territory and continued to sell off through 2pm ET despite an absence of any obvious justifications. That said, 'tis the season for bonds to move whichever way they want without any obvious justifications. Volumes were as low as you'd expect for X-mas week, if not slightly lower. Treasuries are in a cautious stance, having been tasked with underwriting several huge shorter term auctions on X-mas week, and less than one week after a big dust-up with the Fed. It's basically the bond market version of "sell in May and go away," except May is December.

	MMBSLIVE	🛄 * 100.0 * SCHOOL * 🔛 GLOWN S	
INE PROVIDE OF O	THEAL THE CHART MANE	0 0 REALTIME CHART (42)	MUS LIVE OWAT
	DEPERTONNAL & PROPERTONNAL AND ADDRESS	to hear Departury - Party street and when	Color of the
Page 1700-001	106.75 (0.00) (ment of the first of the	1.8279 (-0.0010) Line Care Care	Gran Challman
ter 18 Year / Fait	Annual State Test Test Test Test Test Test	Anna Charl M THE THE NEW YOR THE THE	The last Daried, 1
a hall be used to be		Line Chart 22 THE THE THE THE THE THE THE	
6 10109-110 EU			And Parks, Sugar, S
		18 for frames	An a state of the
lee (8 Real / Fee		CIT CONTRACTOR OF A CONTRACTOR	
10 10 10 COL 2011		IN THE REPORT OF	Andy Parks, Accessors Taxes should alloging a role for
a 90728-000 -000			The lot be barne it and
Real Doll Trans. June 1		Section 1	an Agure, apple boat of ear
			Christopher Einenne + 17
	T WUT I	A NAV	Christianer Versens: 117.
			The first his host being 1.87 for
	The second s		Watthew Grahami II II pro
tes Pas Yes	Also Film	A size of the second states of the	item for methoded halls 1 10 years
100,2109 (-0.0000) 0.5110 (-0.0001)	CLAR MONT STOLAN	14 PM	Watthew Graham: 1 11 pr
100.0078 (-0.0100) -0.0720 (-0.007) 100.0000 (-0.0210) - 0.0000 (-0.000)		TORENTON PARTS 0.0	and the sets byge to
HEADING CONTRACTOR AND ADDRESS	Aller And an inter a fund	teent and the second se	Callment Dereitanett, 1 50 pm
A STREET AND A DOOR LADOR	Million Address Millionare Rend Markets Consolders Allow BURDED	Did a tender of new a reprise? Read Repts ?	The Party Darah, 111 an
112 8875 1 1 1 1 1 1 2 404 1 1 1 1 1 1	and the second se		The site just has to next the
	Name The York & 1996 The ECE's Devides Trans Time WE Europe Take / New York &	Paget Conney	exceed 10% of the loter mar
	Case & Case		The Bart Barty on 111-11
tere for a fee fee a	CTTT's Control on Financial Education	Today 0 7 View Q	The fact is the careful along
ICCUITION 0	Constant of the second states in the second states	and in the same in the same same	Con Sinter Darah 1
	THE R R LOUDER , NO. 4 ADDR		There is no noningen or man homes inspecial under the U
her that a little Tananas Tan Next Next In	Martine South of the second seco		The Drant McCarlanes, 1 47 per
ty, January 27th was not been to	and the section of the local division of the section of the sectio		anyone know man acreage
CC characteria an alternative and aller	MESTREALDOTTEN	tour tanks burches Separately	Contract on a street
Antoine marine # 44 44 44 4		3 Jacpus Will Manuel Tax Rood	and the lot of
Designer in Respond Des 48 68 67 1 Designer in Antonio Markov, 10 43 43 43		3.27 pm Rose Peter Rose Advertigets	ACCRECT NAME AND ADDRESS OF
Desite goals be a 14 44 44 4		115 pm Burnin man Arts Deaded	Refe Van Geber 111 on
Logend Andrea Making Making	and the second state	233 pm Dearts Millio solution p	

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

Alert

10:07 AM Down an Eighth From Highs, But Weaker Data Could Help

MBS Morning

12:30 PM No Help From Weaker Econ Data. Holiday Week Idiosyncrasies

Alert

2:15 PM Down More Than a Quarter Point

Market Movement Recap

- 08:39 AM modestly weaker overnight, mostly after Europe opened. MBS down 2 ticks (.06) and 10yr up 3.5bps at 4.549
- 10:16 AM Weaker over the past 45 minutes. MBS down 7 ticks (.22) and 10yr up 5bps at 4.564
- 03:03 PM Weakest levels of the day with MBS down 10 ticks (.31) and 10yr yield up 7.7bps at 4.592

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)

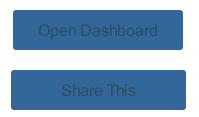
- Ceiling/Support (can be used as "lock triggers")
 - **4.57**
 - · **4.50**
- Floor/Resistance
 - **4.20**
 - · 4.30
 - **4.35**
 - **4.43**



MBS

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

US Treasuries			
10 YR	4.588%	+0.073%	
2 YR	4.340%	+0.033%	
30 YR	4.774%	+0.055%	
5 YR	4.435%	+0.057%	



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