MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

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



Paul Gowen Broker/Owner, Willamette Falls Financial

P: (503) 922-1499 **M:** (503) 381-0736

4800 Meadows Rd Lake Oswego OR 97035 272830



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.

	a am taran a				
			MMBSLIVE	🔟 * 100.5 * 100.5 * 100.5 * 🛄 0.005	
100.00	icinii i	0.0	TREAL THE CHAIT MAN	0.0 REAL THE CHART (0)	MOS LIVE OWN
11.18			DEVERTINGAN W PROPERTY AND ADDRESS		CONTRACT OF THE
		No-Change British Color	106.75 (0.00) (0.00) (0.00) (0.00)	A 9999 (9 9999) 1000 (000 (000	
Mark 18 Year's Free			June Care 24 THE THE SHE WAS TRUE THE	Annual Control and The Talk Talk Talk Talk Talk	The bar Dariely is the second second barrier in
	NO MALES	1000		18.14	Andy Parls, doi:10.00
					A AND
				Blog Incorp	Con Party Danks Linger
ales (10 The		100		Distant Control of Con	Ave. Band have the beauty for
38	10.01			THEN THE PARTY OF THE PARTY OF THE	Ante Parte, Act of State
	10144-030			Lead to the local section of t	271 rand stocks playing a rule to
				Gen. 1200	The bar Darriel, 1 (1) on
Caller Stationer of the Annual State					Charlestanders Revenue + 17 -
0.98	10.00				ar way door to 182
				Anna Market Market	Christopher Sevensi 117
			and the state of the		The ballot been the ball
			the first and the second states at	THE R. LEWIS CO., LANSING MICH.	Butthew Graham; 1 is pro
artes .		THE	Also Silve	The second second second second second	the party
	100,2109 (-0.0000)		CLASS NEWS STREAM	2 PM	Butters Graters
				CONTRACTOR PARTY OF C	💐 102 hin the only bugge the
			Aller And an inter and	Glass OSCIEPOSTS PROCE 0.0	Collect Devicer 8, 1 10 pr.
			MILLION AND MILLION	Det a tender peut soure a reprise? Read Repta	The fact a support assess for a
	100,7010 (10,010.0	CADIN (A SOLD)	MUS Recipt Early Markets Consolidate Arrive (MUCNAC)	Reprint and the second	The site and has to mend the
	INCOMPACT AND INCOMPACT	24040 - 100000 24.00 103 13120	The ECE's Demoks Days Tens, Will Europe Takes P	Tarrist many	is measured by value. Gener exceed 30% of the total mark
ne prine provide a prine sig all Thomas Review			(m. + 174)	Table 1 J Yes 0	Bud Hadpen 111 of

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



Watch the Video

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
 - 4.57 • 4.50
 -
- Floor/Resistance
 - **4.20**

0	4.30
0	4.35

• 4.43

MBS & Treasury Markets



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%			

