MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Weaker Afternoon, But Still Uneventful



Northeast Financial LLC

www.northeast-mortgage.com P:(844) 788-7237

48 Meriden Rd, Suite 1 Middlefield CT 06455 NMLS# 117273



Weaker Afternoon, But Still Uneventful

MBS Recap Matthew Graham | 4:56 PM

Bonds began the day in decent shape by pushing back against weakness during European hours. MBS were briefly in just-barely-positive territory in the first hour. Things deteriorated very slowly, but very steadily after that. It took the entire trading session for MBS to give up an eighth of a point. 10yr Treasuries had it worse, with yields moving back up near yesterday morning's highs. Chalk that up to ongoing "curve steepening" (fancy talk for 10yr yields rising faster than 2yr yields, and combine that notion with the fact that the average mortgage trades more like a 5yr Treasury these days). Modest volatility aside, volume and liquidity remained "holiday low." Next week brings different risks, mainly due to the chance that some big traders will be able to reposition bond portfolios after 2024 is officially over. These could go either way. The bigger volatility risk won't show up until the delayed jobs report on Jan 10th.

				and the second			
		MMBSUN	VE	10 · 10.0 •		• 🔝 0.044 M 10	
THE PECKS	0.0	REAL THE CHART MAN	9	O HEAL THE CHART HO			MES LIVE OWAT
15.18		3010 FINA 4.8 *		10 Year Treasury Y			(112) (1144
	No Dana		CHARTOTICHE - SELECTIONAL -	1.8270 (-0.0010		CONTORNO	Gen Out The
Nor 10 Year / Fill June Care 10 That that that they first		June Dark Mr THE THE THE THE THE THE THE		The bar Daraka a second			
10 NO 10 - 11		Construction of the local data and the local data		A DESCRIPTION OF THE OWNER OF			They shill closed much lower 1
							And Parks and Contract of the
					18 Tear Tea		Con plane hands a longer
the 10 Year		1.1	104.00		A Des UNION		and our de Rey play?
		11 Mb	•		Open 1281 High 1252		Anty Parts, Act of the
15 105.44 (0.00			III A ROAL DAM		Low 1.703		21. Face shots playing a nile for
48 19729-100		1 III 18 0.1		and the second		in a start	The test in the second
Res 20 Trans - Free						_	Christopher Streenst, 117 p
						(f)	ar way close to 182
					1.00	1	Contraction Conversion (117 or
							The loss has been being the loss
		The Standard Inchised	1 (Ar) 1 (Ar)				Wathew Graham (1 14 pr.
fes Pos			2.00	and the second	1 1 24 14		10 state for mentioned that a lot for wells.
	8472 1000	CLIVE NONS STREAM				17.00	Bathere Graham a than
		The second		COLUMN STREET, ST.	PRINT &	6.6	The second

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



Watch the Video

MBS Morning

9:31 AM Weaker in Europe, But Reasonably Resilient in Early US Trading

Alert

2:48 PM New Lows and Modest Reprice Risk

Econ Data / Events

- • Wholesale Inventories
 - -0.2 vs 0.2 f'cast, 0.2 prev

Market Movement Recap

- 09:08 AM Slightly weaker overnight, all during European hours. Holding ground now with 10yr up 1.6bps at 4.594 and MBS down 1 tick (.03).
- 11:17 AM 10yr up 1.5bps at 4.593. MBS unchanged.
- 02:05 PM hovering near weakest levels. MBS down 2 ticks (.06) and 10yr up 3.5bps at 4.612

Lock / Float Considerations

Rates continue muddling along at or near longer-term highs following the December 18th Fed announcement. There haven't been any glorious recoveries since then. If we hope to see one, it would depend on big ticket econ data like the jobs report or CPI (Jan 10th and 15th respectively). Random volatility remains a risk in the New Year holiday week. If we see calendar-driven support, it wouldn't be until Thursday and even then (and to reiterate), bigger victories require bigger data.

Technicals/Trends in 10vr (why 10vr)

- Ceiling/Support (can be used as "lock triggers")
 - **4.74**
 - **4.67**
- Floor/Resistance
 - · 4.30
 - o **4.35**
 - **4.43**
 - **4.50**
 - **4.57**

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	4.626%	+0.049%
2 YR	4.330%	+0.007%
30 YR	4.819%	+0.055%
5 YR	4.464%	+0.025%

Open Dashboard

Share This