# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

### MBS Recap: Feel Free to Enjoy The Rally, But Don't Read Too Much Into It



Caroline Roy Branch Manager, Loan Officer, GoPrime Mortgage P: (406) 624-6330 M: (406) 581-4939

2015 Charlotte St. Bozeman MT 59718 271203 MT, ID, CO, CA, ME, AK, WA,WY



## Feel Free to Enjoy The Rally, But Don't Read Too Much Into It

MBS Recap Matthew Graham | 3:56 PM

Bonds improved somewhat significantly in overnight trading and continued into stronger territory through 10:20am ET. This morning's Chicago PMI data was weak enough to deserve consideration as a catalyst for bond buying except for the fact that yields were already 8bps lower by the time the data came out. To be fair, it did help the rally extend just a bit. After that, the rest of the day was remarkably flat with trading levels right in line with those seen at the very beginning of the previous week. In other words, today's gains are "nice," but they are just a byproduct of the bond market working through the typical end of year illiquidity.

			MMBSLIVE		100.5 • NTINGS •	GLOWE SETTING #
100.00	iciwis	0.0	REAL THE CHART MANE	O O THEAL THE CHART HO		MES LIVE OWAT
12.18			DEVE FORMA & B	The second secon	AND AND LOS ADA	COLUMN STAR
	Pro-	No Comp.	106.75 (0.00)	1.8270 (-0.0010)		Des Outrow
Bar 10 Te			June Days Mr. Bar that that the Toy That	Inter Oast M DE TO	and the second second	The bar Darak, a lot on the second se
		101		Hank I american a parte		Andy Parls, dr. 1
						And an
					18 fear Treasury	The state bank there
New 30 Te			100	104.00	100/05 12 30PM	Area State of the state
	10.01				Ban LOUI	And And Add Add Add Add
	10144-030				Level 1,7858	21 Tant stores playing a rule b
					Our 1200	Provide a second
Rec Di Tran I ann						Christopher Erresen + 17
0.58	103 36 -110					The servery close to 1 M2
0.935	100.70 -0.00			And a second sec	1000	Christopher Unverse + 17
	108.79 -0.00					
-	Pre	And I	The first of the second		CONTRACT SCHOOL OF	Matthew Grahami in in pro
-			Concession of the second se		1 1 14 14 14	
	100.0078 [1010100]	84723 (\$100)	CLIVE MINS STREAM			ten ett in be arts byge be
	NAME AND ADDRESS OF	10000 100000	States And actions in the	And Glass (DECEMPORT)	rects	0.0 mm (day beaut)
	NUMBER OF STREET	14010 11000		and the second se		an here apport even he
			Well Line of Allen Warkers Consolition Allen		veanprion? Seatthe	
			with particular costs and the constraints where	and the second se		The alls but has to meet the

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



Watch the Video

#### **MBS Morning**

10:49 AM What's Up With These Crazy Gains on Monday Morning?!

#### Econ Data / Events

- • Chicago PMI
  - 36.9 vs 42.5 f'cast, 40.2 prev

#### Market Movement Recap

- 09:49 AM Slightly stronger overnight. More buying early. MBS up 10 ticks (.31) and 10yr down 8bps at 4.549
- 01:51 PM Little changed from AM levels. MBS up 11 ticks (.34) and 10yr down 8bps at 4.549
- 03:47 PM Effectively unchanged from the last update. MBS up 10 ticks (.31) and 10yr down 8.2bps at 4.545

#### 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 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - o **4.74**
  - **4.67**

#### - Floor/Resistance

- 4.30
- · 4.35
- 4.43
- 4.45
- **4.50**
- **4.57**



### MBS & Treasury Markets

MBS

	MD5	
30YR UMBS 5.5		+
30YR UMBS 6.0	+	
30YR GNMA 5.5	+	
15YR UMBS-15 5.0	+	
	US Treasuries	
10 YR	4.547%	-0.080%
2 YR	4.255%	-0.071%
30 YR	4.767%	-0.054%

Open Dashboard

4.372%

-0.089%

Share This

5 YR