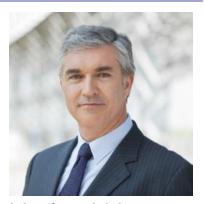
# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Bonds Calmed Down After Early Weakness



Matthew M. Loan Senior Loan Officer. Mortgage Company, LLC. mbslive.net P: (704) 867-5309

M: (980) 867-5309 1050 W. Main St. Charlotte NC 28031 NMLS: #987654321



## Bonds Calmed Down After Early Weakness

MBS Recap Matthew Graham | 4:38 PM

This week's relevant economic data is concentrated over the Tue-Thu time frame with Wednesday's CPI being the most obvious headliner. Today's session offered little by way of new information but nonetheless provided some insight as to how the market would approach this week's data. In a nutshell, bonds remain defensive. The burden of proof remains on weaker economic data or lower inflation if we're hoping to make a case for lower rates. "Dip buyers" are not looking eager to to step in front of the train of generally weaker momentum. All that having been said, things certainly could have been worse today and it was some small solace that bonds leveled off after early weakness and ended up almost sideways on the day.





Watch the Video

#### **MBS Morning**

10:36 AM Quiet Monday For Data. Bonds Staying on Defense Ahead of Inflation Reports

#### Aler

11:21 AM MBS Down an Eighth of a Point

#### **Econ Data / Events**

- O Nonfarm Payrolls
  - 256k vs 160k f'cast, 227k prev
  - Unemployment Rate
    - 4.1 vs 4.2 f'cast, 4.2 prev

### **Market Movement Recap**

09:23 AM	Slightly weaker overnight but back near unchanged now. MBS unchanged. 10yr up 0.3bps at
	4.767

11:21 AM	Lows of the day,	, down an eighth in MBS.	10yr yields up 4bps at 4.805

0.008  DW				3) and 10yr up 1.4bps at 4.779
02.00 1 101	Daunaina baak ta naarb	Lunchanged territors	MDC down 1 tick ( )	2) and 10, // up 1 / bnc at / 770
	Bouncing back to nearly	/ unchanged territory.	MR2 down i rick ro	3) and 10vi ub 1.4bbs at 4.779

04:05 PM Sideways since the last update. MBS down 2 ticks and 10yr up 2.4bps at 4.789

#### **Lock / Float Considerations**

Strong jobs report reinvigorates the upward trend in rates. The upcoming CPI data can take the pain to the next level or help create some support. In general, this is a lock-biased environment until such time as the data takes a cohesive and decisive turn in a rate-friendly direction. That's not to say there won't be pockets of short-term opportunities, but capitalizing on them would involve luck rather than strategy.

## Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - 0 4.88
  - 0 4.80
  - 0 4.74
  - o 4.67
- Floor/Resistance
  - o 4.43
  - 0 4.50
  - o 4.57

## **MBS & Treasury Markets**



NΛ	R	C
IVI	Ь	J

30YR UMBS 6.0 30YR UMBS 6.5 30YR GNMA 6.0 15YR UMBS-15 5.0

+

US Treasuries				
10 YR	4.789%	+0.024%		
2 YR	4.395%	+0.016%		
30 YR	4.968%	+0.025%		
5 YR	4.610%	+0.031%		

Open Dashboard

**Share This**