MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Broad, Negative Momentum is Masking Normal Market Movers



Keith Dabols Account Executive, Community Wholesale Lending

https://www.cwlend.com M: (909) 908-9352 keith@cwlend.com

8270 Aspen Ave. Rancho Cucamonga California 91730 ML Mortgage Corp. dba Community Wholesale Lending ("CWL") NMLS362312



Broad, Negative Momentum is Masking Normal Market Movers

MBS Recap Matthew Graham | 4:44 PM

Tuesday featured a much weaker PPI report that failed to inspire any lasting rally in the bond market. While there were a few ways to reconcile that specific turn of events by examining the internal components of the data, it's also true that bond market momentum has been broadly negative recently. At times like this, data has to work harder if it wants to push rates lower. It can even seem like rates move higher whether the data is good or bad. Today's recap video includes an in-depth assessment of this phenomenon. Long story short, things are still mostly logical, as long as we're considering all the pieces on the board.

			MMBS	LIVE	10 ·	TRAK • MITTINGS • III GALWA HIT	
THE PROPERTY	6	0.0	HEAL THE CHART MANE	0.0	HEAL THE CHART (40)		MES LIVE OWAT
15.18			STREEMAKE *	Main Origin Line mile NALTS NALTS NALTS NALES	10 Heat Theory #	Page office upon when	(1222) (1234)
	Pro-	Ny-Change B TOWN LST -	106.75 (0.00)	CHART OFTICHE + BOACT CHART +	1.8270 (-0.0010)	LON LON ONE LON Overseinen	GRIP Out They
Mark 18 Year' / Faile		Just Carl M SET SE SE SET SET SE		Josep Coat. 20 THE THE THE NEW THE THE THE		This Date	
18 -					Construction of the line line	Concentration (Concentration)	They shill placed much lower 1
							Anto Parlin, July 1.1 (1)
4.0						10 fee Second	CON DESIGNATION OF THE OWNER
fee 30 Year -			10.00	tieter .		Same Little	and she bet hey play?
	10.05		11.00	1.9 A		Mark 12511	And Bally Parks, March 199
	100.441-0.00		In the second second			104 1,7000 dbg	21 rate stude playing a rule for
40			1 II II II II			Constants J	an barn, spin beat or same
Rei 20 Tear							Carladapter Errores + 17 or
							ar way close to 1.82
	NOA BE TELEV					10.1	Christianer Sevena: 117 of
						100	The line has been being the lar
			Search Street, April 1	and the state of t			Wolflow Grahami o Hum

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



Watch the Video

Update

8:35 AM Moderate Gains After Sharply Lower PPI

MBS Morning

12:02 PM Why Isn't PPI Helping Bonds This Morning?

Econ Data / Events

- • Core PPI M/M
 - 0.0 vs 0.3 f'cast, 0.2 prev
 - Core PPI Y/Y
 - 3.5 vs 3.8 f'cast, 3.5 prev

Market Movement Recap

- 08:42 AM initial gains after PPI, but mostly reversed now. MBS unchanged and 10yr down less than half a bp at 4.781
- 12:15 PM MBS unchanged and 10yr up 1.5bps at 4.798
- 03:04 PM nearly unchanged at the close. MBS up 1 tick (.03) and 10yr unchanged at 4.783

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")
 - **4.88**
 - ° **4.80**
 - **4.74**
 - **4.67**

- Floor/Resistance

- 4.43
- · 4.50
- o **4.57**



MBS & Treasury Markets

MBS

30YR UMBS 6.0		+
30YR UMBS 6.5		+
30YR GNMA 6.0		
15YR UMBS-15 5.0		
	US Treasuries	

10 YR	4.792%	+0.009%
2 YR	4.369%	-0.017%
30 YR	4.977%	+0.025%
5 YR	4.598%	-0.003%

Open Dashboard

Share This