## MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

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

# SHOP WITH CONFIDENCE



#### **Faisal Momin**

Mortgage Loan Officer, Keyalo Capital Solutions

www.keyalocapital.com P: (281) 948-2967 faisal@keyalocapital.com

12808 W. Airport Blvd Sugar Land Texas 77478 2351128



## 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.

			a de la company de la comp				
			MMBSLIVE	<b>M</b> * -		• 🔝 0.044 5000	
100.00	80%	0.0	REAL THE CHART (MARE	0.0 HEALTHE OWNER	(4)		MIS UNE OWN
12.18			3000 FINAL &		<ul> <li>PROV DEEK LOW</li> </ul>		10000 01144
		A TOAM OF T	106 75 (0.00)	MACCONT. 1.8270 (-0.0)		CHART DATIONS # 160	Gran Chat There
Bar 10 Te			Just Carl 24 THE THE DIST NO. THE THE THE	Incordinate and in	SP THE NEW YOR THE THE		The set of
	NO DE LES	100		10.04			Andy Parls Ave. 1 Ver.
							A Antes
					10 fear for		Con electric Darable 1 million
ales 10 To		168	100	10.00	And And Address in		and you do key you?
	10.01				1 Mar. 174		
	101.44 -0.00				100 1.700		27. Take stocks playing a role to
					One 12	HE	The Start Particle of the second seco
Bel 2011							Christopher Einesensi + 17 -
							or way close to 1 M2
	10488-111			And a local division in the local division i	1	1	Christianer Merenau 117
							The fit has been at \$2 for
			The state of the state of the state				Wothers Grahami 111 pro
attes -			Real Prov	and the second se	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		The sectored had a 1 for youth
	100,2109 (10,0000)		and the second se				Balling Graften: + 11 pm
			LIVE NEWS STREAM				💐 10216 a Be arty byge Ba
			COLUMN AND DESIGNED AND	Alter Glassie (SER SCOOL)	Contracts.	0.0	Eller General Longe
			MILLION AND MARK	Del a lander an	(management)		an here appelies to t
			With Recipt David Markets Consolition Allow 14		City is the community	Real Paper	The site and has to need the
		24040 (01000)	Annual The state of Links		-		In measured by value Carnel
			The COT's Deniates they Tens. WE Curge Take	The second se			access 10% of the loter mark
	provided in partnerstig with 1		Con a tree	Later A	7 Ver 0		But Hadpen 111

© 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**
  - **4.57**



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

÷

÷

#### MBS & Treasury Markets

**Open Dashboard** 

Share This