

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Modest Gains Make For an Uneventful Week



Heather Woods

Branch Manager- Broker-
Loan Originator, The
Woods Mortgage Team-
Powered By My Community
Mortgage

www.WoodsMortgageTeam.com

M: (210) 392-8299

heatherwoods@mychomeloans.com

Humble TX 77346
833399



Jennifer Yoingco

Realtor, Walzel Properties

www.houstonsuburb.com

M: (832) 286-8636

Jenyoingco7@gmail.com

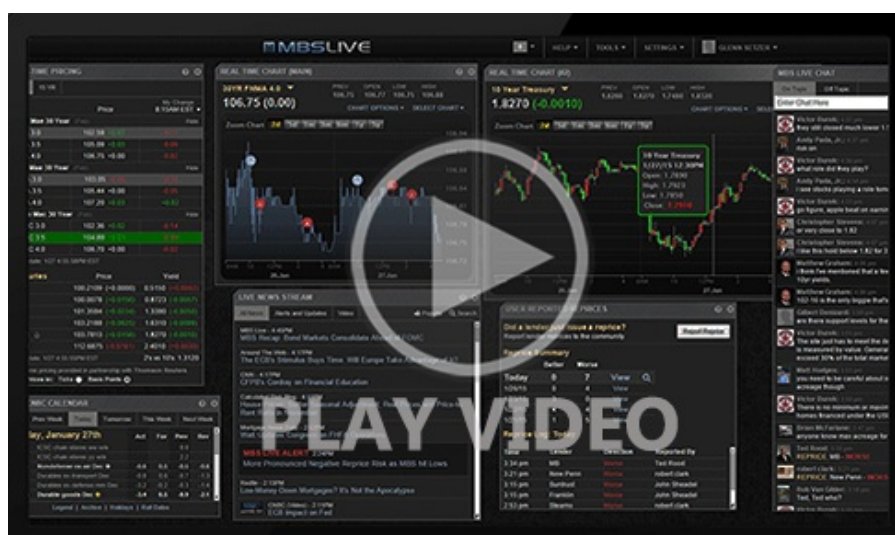
15420 Ridge Park Dr
Houston TX 77095
648293



Modest Gains Make For an Uneventful Week

MBS Recap | Matthew Graham | 4:26 PM

If bonds had continued to sell off today, it would have made the week slightly more interesting, but even then, we would still be well under the high yields seen last week. As it stands, the combination of this morning's economic data and an undetermined source of inspiration a short while later left bonds in modestly stronger territory, thus making for a very flat week in the bigger picture. This is neither bad nor good, and also not a huge surprise given the very light data calendar. There are bigger-ticket events in the week ahead, including a Fed announcement (just tuning in for the press conference), GDP (1st look at Q4), and PCE inflation.



Watch the Video

Update

10:00 AM Mixed Reaction to PMI Data

MBS Morning

12:02 PM Yields Finding a Ceiling After AM Data

Update

2:12 PM Head's Up: Still Stronger, But Down an Eighth From High

Econ Data / Events

- ○ S&P Services PMI
 - 52.8 vs 56.5 f'cast, 56.8 prev
 - prices and employment moved higher

- Consumer Sentiment
 - 71.1 vs 73.2 f'cast, 74.0 prev\
 - 1yr inflation: unchanged
 - 5yr inflation: down 0.1

Market Movement Recap

- 10:02 AM Modestly stronger at the open, but slightly weaker after data. MBS down 1 tick (.03) and 10yr up half a bp at 4.647
- 10:48 AM Bouncing back now. MBS up 3 ticks (.09) and 10yr down 1.3bps at 4.629
- 01:51 PM Off the best levels, but still up an eighth in MBS and down 1.3bps in 10yr.

Lock / Float Considerations

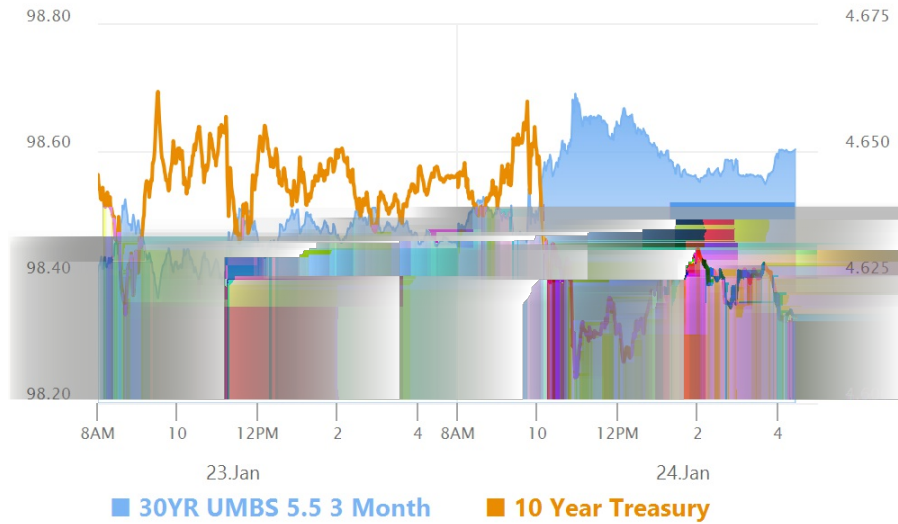
- As feared (or perhaps just a coincidence?), bonds weren't interested in extending last week's rally without any compelling motivation from economic data. This has been and will continue to be a limiting factor for any hope of a meaningful rate rally. There are no scheduled market movers on the horizon until the Jan 29th Fed Announcement (and more importantly, press conference).

Technical/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

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	4.617%	-0.025%
2 YR	4.265%	-0.027%
30 YR	4.845%	-0.027%
5 YR	4.421%	-0.023%

[Open Dashboard](#)

[Share This](#)