# MBS & TREASURY MARKETS

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MBS Recap: Solid Showing In Spite of Data and **Uncertainty** 



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## Solid Showing In Spite of Data and Uncertainty

MBS Recap Matthew Graham | 4:40 PM

The relevance of economic data increased this morning with the release of Q4 GDP and Jobless Claims. Neither were good for rates although neither were especially bad. Right after the data, the overnight rally gave way to moderate selling pressure and, ultimately, a return to unchanged levels for MBS in the 11am hour. After that, volatility was minimal despite lingering uncertainty on the tariff implementation that was originally slated for February 1st.





#### Watch the Video

#### Update

8:36 AM Overnight Gains Cooling a Bit After Data

#### **Alert**

11:01 AM MBS Moving Into Negative Territory

#### **MBS Morning**

12:09 PM Stronger Start + Early Weakness

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

- GDP Q4
  - 2.3 vs 2.6 f'cast, 3.1 prev
  - PCE prices
    - 2.5 vs 2.5 f'cast
  - Jobless Claims
    - 207k vs 220k f'cast, 223k prev

#### Market Movement Recap

O8:41 AM Slightly weaker after data but still in positive territory. MBS up 2 ticks (.06) and 10yr down 2.7bps at 4.513

01:27 PM Steady weakness after data, but flat since 11am. MBS unchanged and 10yr down 1.8bps at 4.522

O4:34 PM Some volatility surrounding fabricated headlines on Trump tariffs. MBS unchanged and 10yr down 1.7bps at 4.523

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

Bonds remained surprisingly calm as stocks unwound the initial explosion of DeepSeek drama. This is refreshing resilience, all things considered. It creates some room for risk takers to take risks even though those risks are only likely to pay off in a meaningful way if economic data comes in soft. Pisk-averse

clients are still waiting to see a confirmed shift in data and the rate trend.

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

- Ceiling/Support (can be used as "lock triggers")
  - o 4.88
  - o 4.80
  - 0 4.74
  - o 4.67
- Floor/Resistance
  - 0 4.43
  - o 4.50
  - o 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	4.519%	-0.021%
2 YR	4.211%	-0.002%
30 YR	4.763%	-0.007%
5 YR	4.323%	-0.011%

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