

# MBS & TREASURY MARKETS

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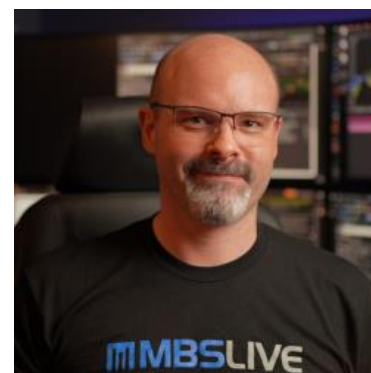
## UPDATE: MBS Still Much Stronger, But Down Over an Eighth From Highs

This is one of those "heads-up" updates that will mean different things to different people depending on the lenders involved.

MBS are still up more than a quarter point on the day and 10yr yields are still down almost 9bps at 4.42. But both have dialed back from their best levels. For 5.5 UMBS coupons, prices are now 5 ticks (.16) below the intraday highs seen near 2pm ET. Lenders who repriced for the better near those highs could technically justify a modest price adjustment, but very few lenders are jumpy enough to consider pulling the trigger in these circumstances. The only major exception would be for lenders who have a history of "pipeline control" reprices.

Also note that it's currently just as likely to see a positive reprice from a lender who is still on the morning's first rate sheet.

The best way to use this update is as a lock cue for those who were already planning on locking today AND those who've already seen a positive reprice--especially in the past hour.



**Matt Graham**  
Founder and CEO, MBS Live

**MBSLIVE**