

# MBS & TREASURY MARKETS

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## MBS Recap: Placeholder Day Ahead of Jobs Report



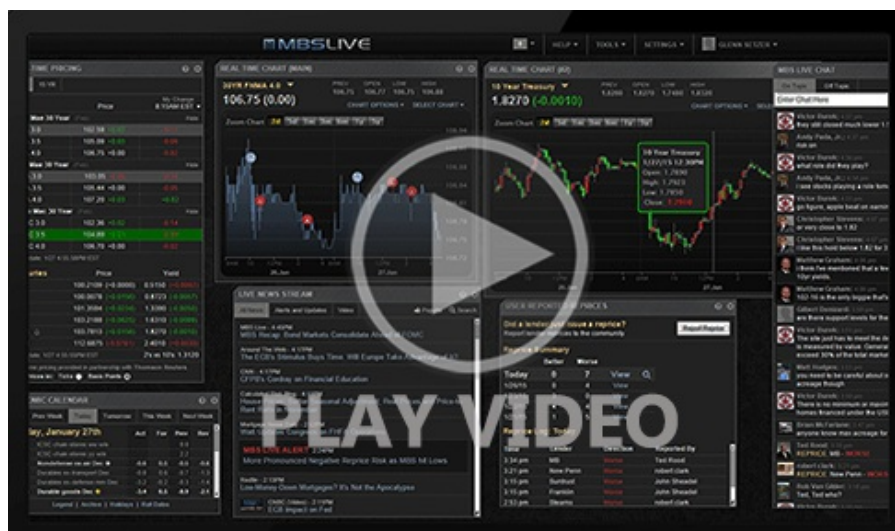
**Matt Graham**  
Founder and CEO, MBS Live



## Placeholder Day Ahead of Jobs Report

MBS Recap | Matthew Graham | 3:28 PM

No matter how many seemingly interesting political headlines are thrown at the bond market, trading levels keep refusing to show too much concern. Thursday's session saw just as many political newswires as any other day this week, but with only Jobless Claims in the 8:30am slot, there was a distinct absence of relevant economic data. Claims weren't far enough from forecast to put any spin on the ball, so bonds were left to drift sideways in a choppy but narrow range. Another consideration is that tomorrow's NFP has been and continues to be the week's biggest deal in terms of data--all the more reason for bonds to avoid making any sudden moves today.



[Watch the Video](#)

## Update

8:39 AM Slightly Weaker Overnight. No Major Impact From Data

## MBS Morning

9:42 AM Consolidation Ahead of Jobs Report (Which Still Matters)

## Econ Data / Events

- ○ Jobless Claims
  - 219k vs 213k f'cast, 208k prev

## Market Movement Recap

- 08:39 AM MBS are down 2 ticks (.06) and 10yr yields are juts 0.3bps above unchanged at 4.43.
- 11:16 AM Still sideways and consolidating. MBS still down 2 ticks (.06) and 10yr up 1.2bps at 4.44
- 12:04 PM Losing some ground. MBS down 3 ticks (.09) and 10yr up 3bps at 4.457
- 01:12 PM Back toward unchanged now with MBS down only 1 tick (0.03) and 10yr up 0.7bps at 4.434

## Lock / Float Considerations

- Risk takers continue enjoying multiple support levels overhead, which can be used as lock triggers (i.e. 'stop loss' levels). This doesn't connote any probabilities, but is simply a strategy that some choose to employ. The risk averse crowd is happy to take advantage of recent gains--especially ahead of a high risk event like Friday's jobs report or next Wednesday's CPI.

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

- Ceiling/Support (can be used as "lock triggers")
  - 4.74
  - 4.67
  - 4.57
  - 4.50

o 4.43

- Floor/Resistance

- o 4.27
- o 4.34

## 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	4.438%	+0.011%
2 YR	4.209%	+0.020%
30 YR	4.647%	+0.019%
5 YR	4.274%	+0.023%

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