MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: CPI Came in HOT and Bonds Reacted Logically



Ethan Brooks Mortgage Advisor / Branch Manager, Fairway Mortgage

ethanbrooks.mortgage M: (414) 488-0438

11220 W Burleigh St Wauwatosa WI 53222 1639987



CPI Came in HOT and Bonds Reacted Logically

MBS Recap Matthew Graham | 4:48 PM

There's remarkably little else to observe beyond this morning's initial commentary. Bonds did exactly what we would have expected based on the sharply higher inflation reading with 10yr yields popping about 10bps higher and MBS shedding 3/8ths of a point, if there's any new news, it's simply that bonds managed to avoid any major additional selling pressure after the initial push in the first 2 hours of trading. Yields are closing out the day right in line with the levels seen 10 minutes after CPI came out.

	MMBSLIVE	🛄 * 10.0 * 100.5 * KIINGS * 🔛 GLOWEN	
THE PROVS	O O TREAT THE CHART PLANE	0 D REALTINE CHART (KD)	MES LIVE OWN
15.16	DEFE FINANCE F	to test Testany . Price area unter	COLUMN OF MAN
Pros #100	106.75 (0.00) tot.7 tot.75 tot.8	1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Disr Dutine
Mare 38 Year's rives	Test Days Days 10 Test test test test test test	Anna Chart Mr THE THE THE THE THE THE	The bar Darrow and the
		14	
			Anda Parla, July 1.1 (m.
		18 fear Descary	Con state bank they
Res (d Tear	144 J. J. 104 J.	at the second se	Table and have the Rey play?
			Anty Parts, AU COLOR.
35 10544-030 408		" A N N GATHER AN	221. Take studie playing a role
		er Con Line .	The for Duration of the second
No. 51 Teach Print			Christopher Kirverni: 1 1
			ar ways closed in 1.82
			BOR Obviolation Streemen 11
			The line his host being \$1.821
	the state of the s		Rethra Grahami + H pr
afters Proce Yes	Also Dies	the star is a star of the	1 three he mentioned that in 10 mention
100,2109 2-0.0000 0.0100 01	1001	2.4	Butter Galan
	SALA CLAVE NOWS STREAM		110 hi a Be arts begent
	AND ADDRESS AND ADDRESS ADDRES	west DECEMPTORING PROCESS 0.0	BIR Gener Denigert Litture
	and the second se	Ded a landercase revea a reprise?	are have apped much in
	Will Decay David Markets Consolition Alternational	Read Report in the second of t	Tata David, 110 or
1121075 (101010) 24010 [0]	Annual Tea and a 1104	The second se	The site just has to meet it
	1909 The ECE's Doming Trans Will Europe Takes (New York (1))	Transfer Towney	exceed 10% of the loter to
na prina provinsi in perinanting seli. Themanik Book Nama ini. Tata 🌒 Rank Park 🌚	Content of Content of Content of Contention	Today 0 7 View Q	Well Designer, 100 per processed in the careful also accessed finiteshi
NICOLINGIA	O.O. Summer and the state of the second state		San Darah Lanan Darah ta Manaka a M

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.



Watch the Video

Alert

8:34 AM Inflation Much Higher Than Expected. Bonds Tanking

MBS Morning

11:25 AM Bonds Obliterated (Relatively) by Sharply Higher Inflation

Econ Data / Events

- • Core Monthly CPI

- 0.4 vs 0.3 f'cast, 0.2 prev
- unrounded, 0.446
- Core annual CPI
 - 3.3 vs 3.1 f'cast, 3.2 prev

Market Movement Recap

- 08:38 AM Obliterated after CPI. MBS down almost half a point and 10yr up 11bps at 4.639
- 01:05 PM modest recovery heading into 10yr auction, but losing some ground afterward. 10yr up 11.1bps at 4.638. MBS down just over 3/8ths.
- 02:52 PM Still relatively flat after initial selling. 10yr up 10.7bps at 4.635. MBS down just over 3/8ths

Lock / Float Considerations

Wednesday morning's CPI data (inflation MUCH higher than expected) means we should assume the path of least resistance for rates is "up" until proven otherwise. There will be an initial correction at some point that raises hope that selling has ended, and such corrections are rarely indicative of a lasting reversal of momentum.

reclinedis, frends in fogr (wity fogr)

- Ceiling/Support (can be used as "lock triggers")
 - **4.79**
 - **4.74**
 - **4.67**
- Floor/Resistance
 - **4.34**
 - 4.43
 - **4.50**
 - **4.57**





MBS

30YR UMBS 5.5 30YR UMBS 6.0 30YR GNMA 5.5 15YR UMBS-15 5.0

	US Treasuries	
10 YR	4.626%	+0.098%
2 YR	4.357%	+0.071%
30 YR	4.833%	+0.084%
5 YR	4.471%	+0.107%

Open Dashboard

Share This