MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Impressively Calm Rally Continues Amid General Growth Concerns



Randy Vance Founder/CEO, Boss Mortgage, LLC

www.bossmortgage.com **P**: (541) 799-2677 **M**: (541) 280-8294 randy@bossmortgage.com

304 NE 3rd Street Bend OR 97701 NMLS #1455628 OR, WA, ID, CO, MT, CA Company NMLS 2547821



Impressively Calm Rally Continues Amid General Growth Concerns

MBS Recap Matthew Graham | 4:32 PM

In the absence of the typical motivations required for the present pace of bond market gains, we're left to ponder vague generalities such as the famous "global growth concerns" that were such a fixture in 2015 and 2019. Some traders are citing such things as a reason to fade stocks and buy bonds at the moment, but those motivations will only last as long as the data allows. In other words, we're seeing a bit of a lead-off ahead of the next round of big-ticket data, but if that data is surprisingly strong, rates could easily snap back. Conversely, if the data confirms the wisdom of the lead-off, there's more room to improve despite seemingly overbought technicals.

			MMB	SLIVE	Mr mer	100.1 • MTH61 • 🔲 G.04 M	tura •
THE PROP	-	0.0	BEALTINE CHART MANE	00	REAL THE OWNER AND		WES LIVE OWN
12.18			DOTE FINAL & B	PRO OPER LON HOL	10 Year Dessury Y	Page Gran Line man	COLUMN OF MAN
	ine .	A TOWNER .	106.75 (0.00)	DWE DWE DWE WERE WERE	1.8270 (-0.0010)	(ADM CODE COME CODE	Gran Chat There
Read 28 Year' Frank		Annual Control and their their their their their their		Town Chart 20 THE THE THE THE THE THE THE		The second second second second	
	100.04	100					
							And Parks, dog 1 of you
						10 fee Second	The state bank i was
ine 30 Team			100	104.04		100/05/02 0094	and the first the second
		1004	11405			0pm 17400 Mph 17911	Anto Parts Anto Inc.
	10144-010			101 M 101 M 101 M		Les LTODE	2 rate stude playing a rate t
							The state free for the second second

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



Watch the Video

MBS Morning

11:36 AM Bonds Rallying Sharply. But Why?

Econ Data / Events

- • Consumer Confidence
 - 98.3 vs 102.5 f'cast, 104.1 prev
 - Biggest 1 month drop since August 2021

Market Movement Recap

- 10:53 AM Sharply stronger overnight and continuing to rally. MBS up 3/8ths and 10yr down 11bps at 4.297
- 12:03 PM Down an eighth from highs, but MBS still up 9 ticks (.28) on the day. 10yr still down 9.8bps at 4.309, but up from lows of 4.286
- 02:25 PM Bouncing back a bit in the PM hours. MBS up almost 3/8ths and 10yr down 10.4bps at 4.303

Lock / Float Considerations

In the midst of what has been an impressively calm/large bond market rally, there are few ways to approach lock/float decisions. First off, although technicals cannot predict the future, Tuesday's addition to the bond market gains brings trading levels closer to the point that some traders will assume technical resistance. This is a short term motivation (because the data will have a bigger impact in the medium term), but it could be worth something to those who are worried about locking only to see rates continue to fall. In general, however, rally days only tend to buy more room to maneuver for the risk-tolerant clients. Risk-averse clients would always be locking the lowest rates in more than a few months anyway.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - ° **4.80**
 - **4.65**
 - **4.57**
 - **4.50**
- Floor/Resistance
 - **4.19**
 - **4.34**
 - ° **4.40**



MBS & Treasury Markets

US Treasuries						
10 YR	4.299%	-0.108%				
2 YR	4.100%	-0.077%				
30 YR	4.557%	-0.099%				
5 YR	4.104%	-0.131%				

÷

+

÷

÷

Open Dashboard

Share This