# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Consolidation Continues Ahead of CPI



Todd Gorman Sales Manager, Adaptive Mortgage Solutions

G2Mortgage.com P: (866) 754-6376 M: (951) 265-5302 todd@g2agency.com

4883-B Ronson CT San Diego CA 92111 NMLS #379724 CA DRE #01701211







## **Consolidation Continues Ahead of CPI**

MBS Recap Matthew Graham | 3:55 PM

February 19th through March 3rd marked an exceptionally directional rally for bonds. The following day brought the big blow-up in German debt, and the start of the consolidation in US rates. Granted, if domestic economic data been weaker, the rally may have tried to soldier on, but after the jobs report came out near consensus, that was that. As has been the case for several years, the next major report after the jobs report is CPI, and CPI is arguably even more important at the moment. This isn't to say we're

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

guaranteed to see a big reaction--only that the potential is there, should the data come in much higher or lower than forecast. As for today, it was just another in the ongoing consolidation with bonds determined to move back to the higher end of the recent sideways range after moving lower yesterday.

	MABSLIVE	🛄 *   100.5 *   100.5 *   🛄 GLOW N	
THE PECHG 0.0	IR AL TIME CHART MANE	REAL THE CHART (40)	MUS LIVE OWN
	STREET, ALL W. PROF. DOC. LON. MAN.	to test Testady - Peter state state	COLUMN OF THE
Pros A Transfer	106.75 (0.00) 106.75 106.75 106.85 106.75 106.85	1,8270 (-0.0010) Line Line Line Line Line Line Line Line	Ger Outree
Res 10 Year Com	Just Carl Mr The The Die Well The The	Josephant Mr. The The Star Star The The	the loss Darada, a un pre-
18 NO 18		Total Control of the law and the law	They still closed much lower
			Andy Parks, Aug. 1 ( 1)
		18 feet freezery	Con pictor Darak Linus
fee (8 New York Park	1.1.1	1 100/01/23094	and the best start
10 10.05 10.00	1 0	Quei 1/10 Max 1/01	Anty Parts, JCC 1 Mart
15 10544-030 4015	Infillule a LUL APPROL. THE	A WAY DATE AN	There should playing a rule to
48 19729-110 1012		Con 1704	The face Darriel, 1 in an
No. 30 Teach Price			Charlestanter Einvernet auf "
			ar way close to 1.87
		1 MAY	Christianer Verenne 117.
48 106.79 -0.00 4107			The haber being the ball
	The second se		Butthew Grahami, 1.11 pro.
files Proc York	Also Files	the star of the local day of the	them for mentioned that a t
1002108-2-0.0003 - 0.5110-2-0.0003	the second value of the se	1.1	Balling College 1 1 1
	UNE NEWS STREAM		10 til a fle aris logge fle
	Aller And an inter a free to been	USEX REPORTED PROCES 0.0	Collect Deniard, 1 10 pr.
	No. of Concession, Name	Det a tender per sove a reprise?	an here apport even for h
	With Recar David Warkets Consultants Advanta (1987)	Repartment of the second of th	The site bareful time of the
	Annual Test Date at LTIME	Tageta Francy	In measured by value Carnel
	The COT's Denotes Tree Tree and Corps Take (Dear of \$1)	Adve Book	exceed 10% of the loter mark
	CAR 4100	and the second	The Mart Hartpers 111.01
tere let Tutte 🖶 Reite Parts 🖗	CEPTER Continue on Filmancial Education	Teday 0 7 View Q	The section of the second about
	Constants talk		Con Balar Darek   10 pr
			There is no minimum or man
Parties Tanging Tanging Taxwas Barries			Nones transit under the U
ay, January 27th Ant for New York	The second se		The Bran McFarlane: 1 C pro-
	MAN THE ALTER AND A DAY	the later price house to	A second an owner
	More Printyneed Negative Reprine Risk as Will M Lows	114 Mill Mill Target Tarland	
Residence on an Dec 8 44 44 44 44 44 44	and the second sequences of the second second	337 pm New Parts Maria Advet dam	and a state of the table
Design on other states and an and an and	Note-21079	115 pm Surfled many John Streaded	TENEDE New Parts - 100
Dente prote Do 1 44 44 44 44	Los Many Con Visigege 1 I's NA the Apacelypes	billion Farmin and John Deaded	Test Test etc."
Loginal 2 Autors 1 Matters 1 Ref Dates	They don have 1 year	252 pm Dearts Man Advertises p	The local division of
	and the spectra feet	Contract of the second state of the second state of the	

Watch the Video

#### Update

10:06 AM Weakest (Then Strongest) Levels After JOLTS Data and Tariff Headlines

Alert	t				
11:37 AM	Dow	n an Eighth From Highs			
MBS Morning					
12:52 PM	Incre	easingly Reluctant to Rally Without More Motivation			

#### Alert

### 2:26 PM Negative Reprice Risk Increasing

## Econ Data / Events

- • Job Openings
  - 7.74m vs 7.63m f'cast, 7.508m prev
  - Job Quits (higher is worse for bonds)
    - 3.266m vs 3.197m prev

## Market Movement Recap

- Initially stronger early in the overnight session, then selling steadily. MBS down just over an eighth of a point. 10yr up 2.2bps at 4.232
- 01:29 PM Weaker into the PM hours but leveling off now. MBS down an eighth on the day and 10yr up 1.5bps at 4.227
- 02:26 PM 10yr yields are up 6.5bps at the highs of the day (4.276). MBS down 10 ticks (.31)

## Lock / Float Considerations

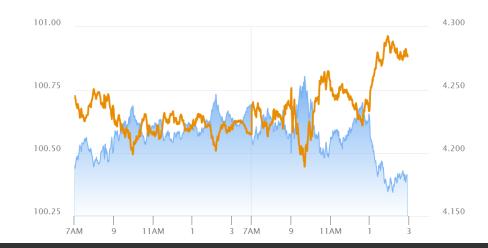
Even though bonds saw solid gains on Monday, the underlying message was largely the same as last week: rally momentum is overbought and it will take an increasing amount of "convincing" if we're to see additional meaningful improvement. While several factors can contribute to "convincing," none of them can have too much of an impact until and unless we see Wednesday's CPI come in at or below forecast.

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

- Ceiling/Support (can be used as "lock triggers")
  - **4.57**
  - **4.50**
  - 4.40
  - 4.34

#### - Floor/Resistance

- o **4.05**
- ° 4.12
- **4.19**



### **MBS & Treasury Markets**

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

	10.Mar				
SUAD	IIMRC	5	5	2	Month

11.Mar

■ 30YR UMBS 5.5 3 Month ■ 10 Year Treasury

MBS

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

	US Treasuries	
10 YR	4.277%	+0.064%
2 YR	3.936%	+0.051%
30 YR	4.595%	+0.053%
5 YR	4.027%	+0.058%

**Open Dashboard** 

Share This