

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.



## MBS Recap: Small Scale Weakness Leaves Bigger Picture Unchanged



**Ray Evans**

Loan Officer, Element Home Loans

[www.Elementhl.net](http://www.Elementhl.net)

**P:** (470) 481-3947

**M:** (770) 309-2155

[rayevans@elementhl.com](mailto:rayevans@elementhl.com)

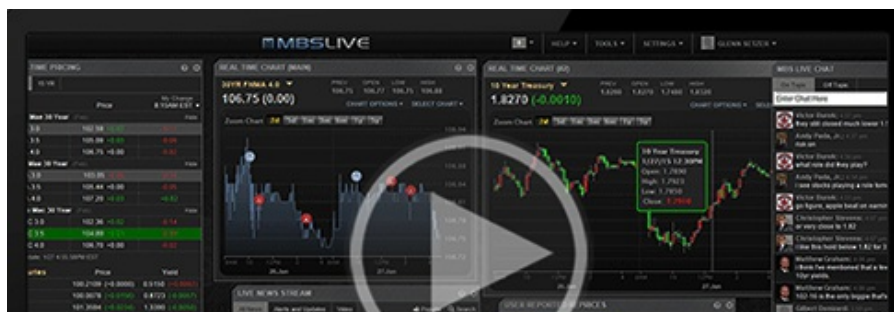
326 Lake Forest Drive  
Newnan GA 30265  
218350



## Small Scale Weakness Leaves Bigger Picture Unchanged

MBS Recap | Matthew Graham | 4:44 PM

Bonds began the day in stronger territory after tracing a risk-off move in the overnight session. Much like yesterday, 9:30am brought a momentum reversal, both for stocks and bonds, thus beginning a slow march back into weaker territory. Bonds might have stayed green if not for tariff headlines at noon ET which resulted in a modest nudge for stock prices and bond yields simultaneously (probably... it was so small that it could easily be seen as noise). Either way, the bigger picture was completely unaffected. Bonds are sideways near their strongest levels in months while they wait for guidance from data on the next big move.





Watch the Video

## MBS Morning

11:49 AM Post-Fed Trade Turning Out As Expected

## Alert

12:57 PM Session Lows for MBS; Slight Reprice Risk

## Econ Data / Events

- ○ Jobless Claims
  - 223k vs 224k f'cast, 221k prev
- Philly Fed Index
  - 12.5 vs 8.5 f'cast, 18.1 prev

## Market Movement Recap

- 10:30 AM Moderately stronger overnight but giving back gains now. MBS still up 2 ticks (.06) and 10yr down 0.1bp at 4.23
- 02:38 PM Lows of the day. MBS unchanged and 10yr yields up 2.1bps at 4.252
- 04:40 PM Very flat since last update. MBS down 1 tick (.03) and 10yr up 1.9bps at 4.25

## Lock / Float Considerations

- Bonds/rates have generally been in consolidation mode after hitting the best levels in early March. That's been mostly a sideways affair, but a breakout in either direction is possible. While there was a risk of a breakout associated with the Fed announcement, (and while rates technically broke out to the downside), it's easier to make a case that the consolidation pattern now merely shifts to a trading range (less of a triangle and more like a rectangle). This has limited relevance for locking/float, but it does give the risk-tolerant crowd some more room to maneuver before hitting stop-loss ceilings. The risk-averse crowd is happy to lock the lowest rates in over a week and nearly the lowest rates in several

months.

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

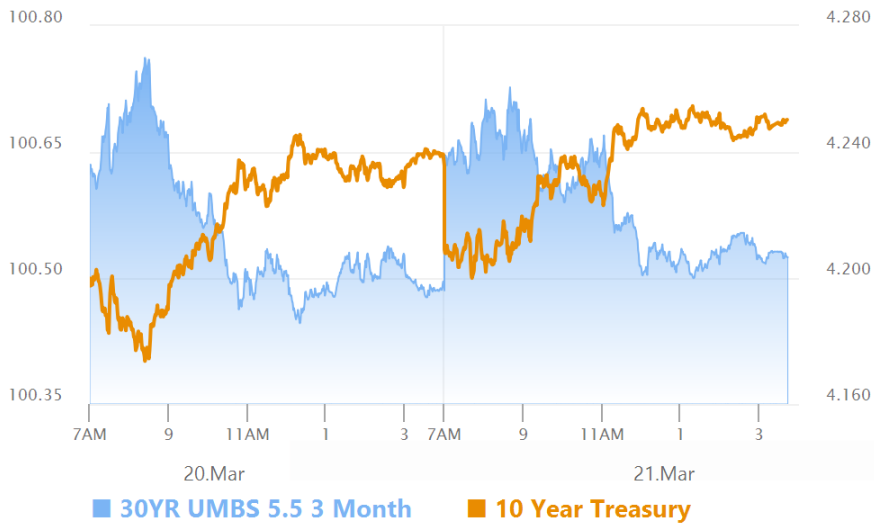
### - Ceiling/Support (can be used as "lock triggers")

- 4.57
- 4.50
- 4.40
- 4.34

### - Floor/Resistance

- 4.05
- 4.12
- 4.19

## 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	4.250%	+0.019%
2 YR	3.953%	-0.012%
30 YR	4.593%	+0.041%
5 YR	4.006%	-0.007%

[Open Dashboard](#)

[Share This](#)