## MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

# MBS Recap: Small Scale Weakness Leaves Bigger Picture Unchanged



Stephen Heston Broker NMLS #1930964, Aspire Mortgage Solutions LLC NMLS #2481498

www.aspiremortgagesolutions.co m P: (509) 202-4424

102 W Main St. #3 Pullman WA 99163 2481498 1930964

### 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.

				2008-2019-2019-2019-2019-2019-2019-2019-2019						
			MMBSL	IVE	10 ·				G.Con sci2	
INC PROP	<b>#</b> \$		HEAL THE CHART MANE	0.0	RAL THE OW	RT (#0)			1000	MES LIVE OWN
12.18					10 Year Treasur	a *				COLUMN DE LAS
	Pro-	No-Change	106.75 (0.00)	CONTRACTORS - MARCHANT	1.8270 (-0				CALLER CALLER CONTRACT OF	Gerduiter
Not 38 Year I was		June Carl 24 THE THE THE THE THE THE THE		Josephan Mar Tell Tell Tell Tell Tell Tell				The bar Darak, a strate		
18 .				108.04	The second second			-		They shall chosed much lower 12
										Reading Provides, doing to 1 of 100
4.0								18 Fear Seaso		Contactor Danks Lines
tee 30 Teer			1.1.1	104.04			A	1,127,118.12.3 Open: 1,7434	- A.	and the delivery play?
	10.05		1140	1 9 1 5 mm	100			High 12421		Anty Parts, All Colors
	10144-010		I MANAGE I	III AT ALL HALL	1 1 1			Low 11,7858	144	271 rand stocks playing a rule low
40			1 U 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	The second s						an Apartal Apple Seal of Same
Rep 20 Team								1		Christopher Kinysersi + 17 pr
	NO 36 -1112								1	ar way close to 1 K?
	NOADE CON			and the second				CLOSE .	8	Christianer Streems, 117 pr
										The ballot best been the ball
										Wothers Grahami + 11 pr
atten .				2 Aug		-				Item for mentioned that a low four yields.

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



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/floating, 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.

#### Technicals/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