Daily Coverage. Industry Leading Perspective.

MBS Recap: Bonds Build on Overnight Gains After Another Tariff Change



Bryan Ashby Owner, Ashby Financial Group, LC

www.ashbyfinancialgroup.com P: (801) 294-6179 M: (801) 455-1007 bryan@ashbyfinancialgroup.com

326 Apricot Grove Kaysville UT 84037



Bonds Build on Overnight Gains After Another Tariff Change

MBS Recap Matthew Graham | 4:17 PM

It was a low drama session for bonds with overnight gains managing to remain intact during the AM hours and additional improvement in the PM hours. There wasn't any glaringly obvious individual market mover during domestic hours, although some would say comments from Fed's Waller certainly didn't hurt. Rather, we saw consistent, moderate, generalized buying demand as traders need not price in as much panic as last week if the tariff outlook is becoming progressively less onerous. Whether this is a brief reprieve remains to be seen. And we may have to wait a bit longer to sort that out considering there are only 2.5 more days left to trade this week due to the holiday calendar.

| | MMBSLIVE | | | | 🔟 * 10.7 * 100.3 * MTH65 * 🛄 GLDM MTR65 * | | |
|----------------|-------------------|---------------|---|--|---|--|--|
| THE PROPERTY | 6 | 0.0 | TREAL THE CHART MANE | 0 0 HALTHE CH | (64) 1940 | | WESLIVE OWT |
| 15.18 | | | | THE REAL PROPERTY AND ADDRESS OF THE PARTY O | wy * mit | | COLOR OF MAR |
| | Pro- | Ny Change | | H+ MACCONT+ 1.8270 (* | | 10210 1246 10006 Charles | Disr Dut Texe |
| Red 10 Year | | | June Days 24 THE THE THE THE THE THE | and the second | | or man | The Date of the Party of the Pa |
| 18 - | | | | LIB DA | | | They still densed much lower 11 |
| | | | | | | | And Party Party April 1994 |
| 40 | | | | | 1 | 18 Fear Treasury | The state banks () and |
| the (i) they - | | | | tinta a | | ALL ALL ALL ADDRESS OF ALL ADDRESS O | Ar a Richard Standard Stranger |
| | | | 11 M | 6 | | Open: 1,7830 High: 1,7923 | And And Parks, AU & Mark |
| | 100.00-0.00 | | | | | Low 117920 | 2 I see storts playing a nie ben |
| | | | | ALC: NOT THE REAL PROPERTY OF | | Qual 12100 | a traine apple bead of same |
| Rep 20 Team | | | | | | | ICH Christianian Enverse |
| | | | | | | 1 C | The service of the 182 |
| | 104.88 -175 | | | No. of Lot of Lo | | CARLE 1 | Christian Services (117 and |
| | | | | | | 1.14 | The ballet being 1.42 for 3 |
| | | | the first of a state of the | - 14.0 | | | Bathers Grahami a 14 an |
| effets | | | 8.60 20 | | the second second second | | |
| | | | | | - | | |
| | 06.0678 [10.0190] | | LIVE NOWS STREAM | | | | and 10 to a be only byge bats |
| | | | Attest And and place lines | Alar Ghant (DECK HE) | POSTATION | | Callard Deniard, 1.07 pr. |
| | | | MELLIN LAUPE | Def a land | TRANSPORT AND THE PARTY OF | Theory Property | an hen nappfients to be |
| | | 14279 (11074) | With Recipt Early Markets Consolides All- | ALCON: Reporting | in the local day in the summaries | Tapathapa | The shi bat her is ment he in |

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



Watch the Video

10:10 AM Cautious Optimism on Electronic Tariff Exclusions

Econ Data / Events

- • NY Fed Inflation Expectations
 - 1yr : 3.6 vs 3.1 prev
 - 3yr: 3.0 vs 3.0 prev

Market Movement Recap

- 09:41 AM Stronger overnight on electronic tariff exemptions. MBS up half a point and 10yr down 9.2bps at 4.058
- 11:04 AM Modest additional gains after NY Fed inflation data. MBS up 13 ticks (.41). 10yr down 10bps at 4.05
- 01:20 PM Best levels of the day in Treasuries. 10yr down 11.7bps at 4.033. MBS up 12 ticks (3/8ths).
- 03:26 PM Just a bit stronger. MBS up just over 5/8ths and 10yr down 11.8bps at 4.373

Lock / Float Considerations

Stocks and bonds are making another attempt to calm down and push back against the recent weakness at the start of the new week. As we saw last Wednesday, a rebound carries no guarantee of sustainability, but the more this pattern is repeated (markets freak out, tariff policy updated, markets cool down), the more the market will doubt the realization of more dire tariff/trade scenarios. The result is simply lower odds of the sorts of big day-to-day swings seen recently. To be clear, there is no directional connotation here--just a volatility connotation. In general, volatility risk is still much higher than normal until further notice--just not quite as high as last week.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - **4.64**
 - **4.48**
- Floor/Resistance
 - o **3.99**
 - ° 4.05
 - ° 4.12
 - **4.19**
 - **4.34**
 - **4.40**



MBS & Treasury Markets

| 15YR UMBS-15 5.0 | + | |
|------------------|---------------|---------|
| | US Treasuries | |
| 10 YR | 4.379% | -0.111% |
| 2 YR | 3.845% | -0.122% |
| 30 YR | 4.810% | -0.058% |
| 5 YR | 4.013% | -0.137% |

÷

÷

÷

Open Dashboard

Share This