MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Don't Sweat The Modest Weakness



Ray Evans Loan Officer, Element Home Loans

www.Elementhl.net P: (470) 481-3947 M: (770) 309-2155 rayevans@elementhl.com

326 Lake Forest Drive Newnan GA 30265 218350



Don't Sweat The Modest Weakness

MBS Recap Matthew Graham | 4:47 PM

Bonds began the day roughly unchanged and very flat for most of the morning. MBS began falling as we moved into the PM hours, ultimately resulting in a handful of negative reprices, about a quarter point of weakness, and a 4+bp jump in Treasury yields. If the frame of reference is limited to the domestic session, this is a moderate sell-off at best, but in the bigger picture, it was not even worth mentioning, let alone considering as a cause of concern. Bonds are heading into the 3 day weekend at much less alarming levels than last week, and with the the same requirement to wait for clarity on fiscal policies before the next major movement is revealed.

| | | | MMBS | LIVE | 101 · | | | | G.CAN SCI | |
|-------------|---------------------|-----------|--------------------------|--|--|------------|------------|-------------------|-------------|---|
| INC PROP | 6 | | HEAL THE CHART MANE | | 0.0 HEALTINE CH | NAT (KD) | | | | MES LIVE OWN |
| 12.18 | | | DEVELOPMANE * | | | - T | | 1.040 (40) | | 101200 01144 |
| | | No Change | 106.75 (0.00) | CHARTE CONTRACT BOLICE | | | | 0.000.0 | NE OFTENS - | |
| Res 10 Year | | | June Chair M THE THE | THE REPORT OF | Anna Card I | - | - No. 1991 | | | They also therease a second struct lower 1 |
| | | 100 | | | 108.04 | | | | | Anty Parls, July 1 17 pt |
| | | | | | | | | | | And an |
| 40 | | | | | | 1 | | B Fran Descore | | Con Party Dank: Louis |
| tee 30 Teer | | | | | 104.04 | 10 C | | 127/13-12-30P | 1 | and she bet key play? |
| | | | 1140 | • | 0.0 | | | weine für der Ber | | And Balls Balls, MC 111-11 |
| | 100.44 -0.00 | | | | IN N N | | | | 202 | 21 rate stocks playing a rule for |
| | | | III BOUL | The second second | | | | | 1.1 | an tores, apply bead of name |
| No. 21 Test | | | | | | | | 1 | - | Christopher Kinnensi, 117 p |
| | | | | | Contraction of the local division of the loc | | | A 19 1 | 6 1 | ar way close to 182 |
| | | | | | A HAR A | | | 40.7 | | COM Christian Streemer 117 of |
| | | | | | | | | 1.4.16 | | The first has been been that be |
| | | | The State of a little | terms in the 1 | - 198.70 | | | | | Butters Groham (1 11 pr |
| effen | | | | 2 days | | | | | | 1 them has mentioned that a la four weeks. |
| | 100,2109 218 20003 | 8472 1000 | CLIVE NEWS STREAM | | | | | | 17.5as | Buthes Galance Color |
| | the black out them. | | Statement and statements | And in case of the local division of the loc | CONTRACT CONTRACT | OFTEN PROC | | | 0.0 | NUM (direct Descent) |

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



Watch the Video

MBS Morning

10:45 AM Slow Start, Narrowest Range, Early Close

Alert

12:32 PM Weakest Levels Of The Day

Econ Data / Events

- Obless Claims
 - 215k vs 225k f'cast, 224k prev
 - Philly Fed
 - -26.4 vs 2.0 f'cast, 12.5 prev
 - Philly Fed Prices
 - 51.0 vs 48.3 prev
 - Philly Fed New Orders
 - -34.2 vs 8.7 prev

Market Movement Recap

- 08:43 AM Initially weaker overnight, then reversing into U.S. hours. Slightly stronger after data. MBS down 1 tick (.03) and 10yr up 0.7bps at 4.285
- 12:37 PM Weakest levels now. MBS down an eighth and 10yr up 5.1bps at 4.329

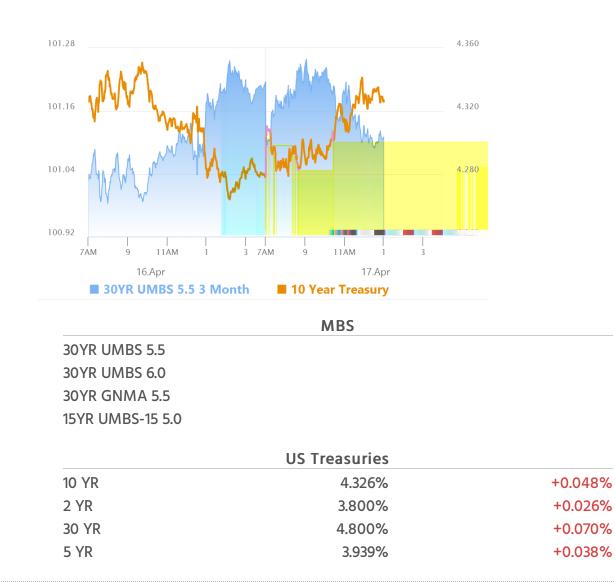
Lock / Float Considerations

Markets sent a strong message to the administration regarding the implementation of tariff policies and the administration adjusted. Markets have subsequently adjusted back to the pre-tariff range. Volatility risk remains higher than normal and the farther yields fall into the pre-tariff range (roughly 4.15 - 4.40% in 10vr yield), the more a defensive strategy makes sense

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

Technicals/Trends in 10yr (why 10yr)

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



MBS & Treasury Markets

Open Dashboard

Share This