Daily Coverage. Industry Leading Perspective.

MBS Recap: Unfortunate Market Movement For Unfortunate Reasons



Dan Farmer President & CEO, Heartland Financial & Mortgage

www.hfmkc.com P: (844) 515-5626 M: (913) 709-5341

7315 West 79th Street Overland Park Kansas 66204 779961



Unfortunate Market Movement For Unfortunate Reasons

MBS Recap Matthew Graham | 5:26 PM

Global financial markets partook in a slow motion train wreck on Monday as investors shunned USDdenominated assets and the dollar itself in response to Trump's vocal criticism of Fed Chair Powell. The criticism itself wouldn't be too tough to deal with, but the prospect of "firing" the Fed Chair seems to figure much more prominently into this edition of Trump vs Powell than it did during Trump's previous term. In not so many words, this would be "bad" for both stocks and bonds. Today wasn't catastrophic by any means, but the correlated weakness between stocks, bonds and the USD is an important proof of concept.

			MMBSLIVE	10		• scmes •		
100.010	0%	0.0	NEAL THE CHART MAN	0 0 HA TH	Crankt pop		MUS LIVE OWN	
12.18			3010 FINAL 4.8 *	THE REAL PROPERTY.	any · m		COLORA DE LA CALLAN	
	Pro-	No. Change	106.75 (0.00)	1.8270	(-0.0010)		DRP Dut Two	
Aug 20 Te.	- 1 m		June Carl M THE THE DIS THE TOP THE			THE OWNER	The bar and the second	
18 -				108.94	A DR. DR. DR. DR. BR.			
							Andy Paulo, Jr., 1.7	
60					A	18 Feet Treasury	Con Party Danks 1 1 1	
fee 30 Tes	a cher		1. J.	10.00	10 A.	Aug 102/1512 30%	Aus and the de bay pla	19
			1 i Mi			Open 12430 High 12421	AND AND REAL PLACE	
	100.00-00.00			P 61 14.14		Level 1.7950	21 rant shorts playing a	
48			1 II 800.0				participation of the second se	
Report From							Christopher Unvers	
				CONTRACTOR OF A		6 C	ar way down in 1.82	
	NOADE -125		T TUT	And a local division of the local division o		146.7	Christopher Viewers	
						1.10	The ballet below	12.00
			the state of a state of the sta				Wothers Grahami -	
ries .			8.00 2	0.m			then he mentored	
	100,2109 (14,0000)					8.4		
			LIVE NEWS STREAM				NO 14 a Rearisto	an hai
			Allowed And and place Vans	Area Ghant (1923)	EPOST PROCE		G O Galact Deviced 11	
			MILLION AND MILLION	Defait	NAME AND ADDRESS OF	0	an here appelies	
		14279 1010501	With Recipt Early Markets Consolition All	A REPORT REPORTS	operation in the survey of		The site part of the site of t	

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



Watch the Video

MBS Morning

10:38 AM Drama Returns, But With Mixed Results For Bonds

Alert									
12:35 PM Down More Than an Eighth From Highs									
Alert									

1:44 PM Negative Reprices Becoming More Likely

Econ Data / Events

- • Leading Indicators
 - -0.7 vs -0.5 f'cast, -0.3 prev

Market Movement Recap

- 10:13 AM Weaker overnight, but pushing back since 8am ET. MBS down just over an eighth and 10yr up 3bps at 4.355
- 12:35 PM Nice gains into 1030am, but weaker since then. MBS now down 9 ticks (.28) and 10yr up 5.1bps at 4.377
- 01:44 PM weakest levels of the day for MBS with 5.5 coupons down 13 ticks (.41) and 10yr up 7.4bps at 4.40
- 04:00 PM More new lows. MBS down half a point and 10yr up 9.2bps at 4.419

Lock / Float Considerations

Rates/bonds find themselves in the unfortunate and frustrating position of being more prone to react to fiscal headlines than to economic data. This means that things may look fairly calm at times when headlines are uneventful, but volatility can pop at a moment's notice if the headlines pick back up.

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

Clarity on tariffs/trade and the status of Fed Chair Powell's tenure will be needed in order to move past this period of elevated directional risk for rates.

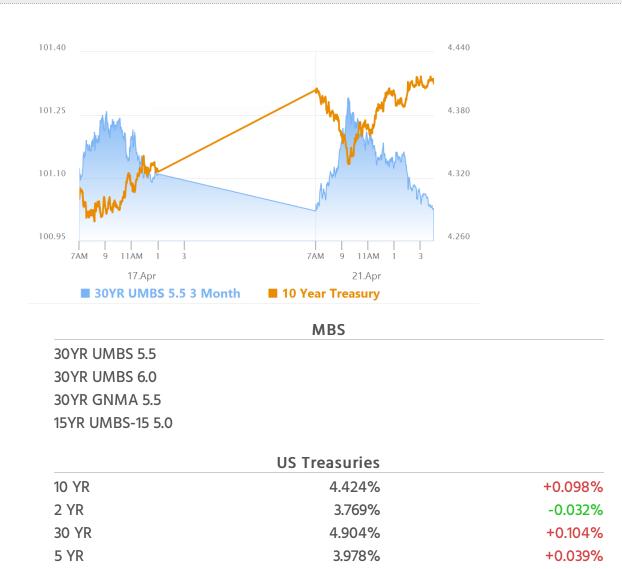
Technicals/Trends in 10yr (why 10yr)

- 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



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

Open Dashboard

Share This