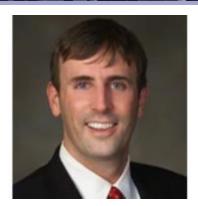
MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Bonds Lose Almost All The Gains After Inflation Warnings in The Data



James Cheeley Founding Partner/Sr. Mortgage Advisor, Lincoln Capital Advisors

www.lincolncapitaladvisors.com P: (678) 824-6563 M: (678) 824-6563

Trusted Mortgage Advisors 118012



Bonds Lose Almost All The Gains After Inflation Warnings in The Data

MBS Recap Matthew Graham | 4:41 PM

Bonds started out sharply stronger today after Trump walked back previous comments on Fed Chair Powell. Headlines regarding lower tariffs for China also helped, but they helped stocks more. The good times began unravelling with the 9:45am S&P PMI data. Both manufacturing and services PMIs showed sharp increases in prices. This is one of the first clear examples of tariffs impacting inflation data. Markets were quite willing to trade the data this time (unlike with the recent CPI/PPI releases--probably because those showed lower inflation in a world that feared higher inflation) with bonds ultimately almost fully erasing the AM gains.

			MMBSU	VE	101 ·				GLOWN NETS	
INC PROP	4		HEAL THE CHART MAN	9	REAL THE ON	eAl1 (40)			1000	MES LIVE OWN
			STREAMAN		10 Year Trees					COLOR OF MAN
	Pere	And the second	106.75 (0.00)	CONTRACT DELTS VALUE	1.8270 (*				CONCORDENCE: IN	Ser Outree
Not 30 Year / Fee		Annual Control and The Test State Test Test Test			Loss Cost M THE THE THE THE THE THE THE			The ball bank of the second		
					The second se					They still throad much lower 1
										Andy Parks, dog 1, 17 yes
						1		10 Fear Search		Con plane banks three
ine 30 Team			100	104.10				Daniel L / Kite		and non-the Rep play?
			11.00	•	11000		<i>~</i>	High 17471		And Bally Parks, ACC 11 (1)
	101.44 -0.00			IT AT ALL DATE	1 2 11			Low 11,7808	144	291 Finne studie playing a rule for
10			1 U 800.0					Ocean 1 chin		an berne apple beat or name
Rei 31 Tear									_	
				1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				1.1	M	Christopher Errones: +17 -
			r nur			_		Carlos,		Con Christianian Streement - 17-
								1.4		The loss has been being a fight for
			The Article States	A DAY OF A D						Wetthew Grahami, 1.14, pp.
fee:	Pros	April 1		2 Aug						 Item for mentioned hat a la filter yields.

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



Watch the Video

MBS Morning

10:17 AM What's Up With Today's Big Bond Rally?!

Alert

10:34 AM MBS Still up Big But Well Off Highs (Hit by PMI Price Data)

Alert

12:17 PM Additional Negative Reprice Risk

Econ Data / Events

- • S&P Global Services PMI
 - 51.4 vs 52.5 f'cast, 54.4 prev
 - S&P Global Manufacturing PMI
 - 50.7 vs 49.1 f'cast, 50.2 prev

Market Movement Recap

- 10:05 AM Sharply stronger overnight on Trump's reversal on Powell/China. MBS up nearly half a point and 10yr down 9bps at 4.304
- 10:41 AM Losing some ground as bonds react to inflation implications in PMI data. MBS still up 3/8ths, but down a quarter point from highs. 10yr down 5.8bps at 4.338 but up 7bps from lows.
- 03:39 PM More selling, but finding some support. MBS still up an eighth on the day and 10yr down 1.7bps at 4.38

Lock / Float Considerations

Rates/bonds find themselves in the unfortunate and frustrating position of being more prone to react to © MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

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. 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
 - **3.99**
 - · 4.05
 - · 4.12
 - **4.19**
 - **4.34**
 - **4.40**





10 YR	4.383%	-0.014%
	US Treasuries	
15YR UMBS-15 5.0		+
30YR GNMA 5.5		+
30YR UMBS 6.0		+
30YR UMBS 5.5		+

3.867%

+0.051%

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

2 YR

30	0 YR	4.824%	-0.056%
5	YR	4.006%	+0.016%

Open Dashboard

Share This