MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Solid Bond Rally For Debatable Reasons



Michael Levine Senior Loan Officer, CrossCountry Mortgage M: 914-391-1183

2900 Westchester Ave. Purchase NY 10577-____ 307827

Solid Bond Rally For Debatable Reasons

MBS Recap Matthew Graham | 4:25 PM

Bonds improved moderately well overnight and added to those gains steadily during the domestic session. Ask 10 traders why and you might not get 10 different answers, but it would be at least 5. Improvement in the tariff outlook is a common refrain, but forex markets suggest that's not a huge motivation. Still, one could argue that a more sober approach is restoring some confidence for bond traders. One could also argue that traders are positioning for economic fallout with next week being the big week for econ data. Then there's the notion that moving through the Treasury auction cycle was helpful, but it's not as if traders didn't know that ahead of time. Last but not least, a comment from Fed's Hammack (saying the Fed could move in June) did align with some of this morning's improvement, but not in a way that accounts for an entire day's worth of gains. Perhaps we'll have to dust off the "no news is good news" thesis and simply conclude it makes sense for bonds to be consolidating in the pre-tariff range until we get a clearer sense of policy and the economy's response to it.

			MMBSLIVE	- III -				
100 (100)	18 5	0.0	REAL TIME CHART MANE	0 0 REAL THE OW	ulti pilip			MES LIVE OWNT
15.18				To Year Treas		10%1W 1.048	-	COLUMN OF MAN
		No Carpone	106 75 (0.00)	1.8270 (-0		000 000 0	NAR NARCOPTIONS = 1854	Gen Outros
Not 10 Yes			June Dark 24 THE THE THE THE THE TYPE THE	Anna Cara A	-	11907		The set of
		1010		10.14				
								And Palacity Content
						10 Feat Sectors		The state bank at a se
iee 30 Tee	a state of			100 Hanne 100 Ha	61. A.F	1,07,1512.30	* A.	and non-delivery play?
		1041	1 1 M			Open: 1,7434		And Parks, ACCULA
	105.44 -0.00			Tal. INTER VI		Level 1,7858	1414	21 Take shots playing a nin b
•0						Owner, 1 1964	1.2	an berne appie beaf of ear
Rep 20 To								Christopher Kirvensi, 1 17
				CONTRACTOR OF A		1	1	ar way close to 1.62
			T THE	No. of Lot of Lo		Carlos a		Contraction Conversion ()
						14.16		The loss has been being a first be-
			Section de la contraction de l	- 14.7				Watthew Grahami 1 11 pr
den .	Page	Yes	A.M. 2.M.					The sector of here and the sector of the sector of the sector.
	100,2108 218 80003	819710	Concession of the local division of the loca				all has	Rethre Galeri - 1 an
	10030781-011100		CLIVE NOWS STREAM					10 10 a Be arfs bigge Be
	NAMES OF A DESCRIPTION OF	12040 141444	COLUMN AND ADDRESS AND	And Ghant (SEARCH)	ADDREED FROM		0.0	Will General Demineral Linkson
	NUMBER OF BRIDE		the second se	Del a landa	tant more a reprint			are have nopport much far t
			With Recard Ford Markets Consolities Also	Autors Reprint		3 Main	(Aspin)	States Darak, 110 per
	112102-01210-0121	24040 (colorise)	Contraction of the American Street Stre					The site just has to need the
			Arrived The Mark & USAN The ECET's Extended Them Tomo Will Europe To	Participant Participant	nine y			exceed 10% of the loter mark
ne prine provide a performing with Theorem Review. Nove by: Tetta 🖝 Rack Park 🔕			Contractions COURSE Contract on Financial Education	Telay	1 7 Ver			Wet Hadgers 111 or Yes hered is be canful along

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



Watch the Video

Update

8:48 AM Overnight Gains and Uneventful Data

MBS Morning

12:19 PM Bigger Picture Starting to Look More Normal

Econ Data / Events

- • Jobless Claims
 - 222k vs 222k f'cast, 216k prev
 - Continued Claims
 - 1841k vs 1880k f'cast, 1878k prev
 - Durable Goods
 - 9.2 vs 2.0 f'cast, 0.9 prev
 - Core Durable Goods
 - 0.1 vs 0.2 f'cast, -0.3 prev

Market Movement Recap

- 08:58 AM Stronger overnight with additional gains after uneventful data. MBS up a quarter point and 10yr down 6+bps at 4.32
- 01:09 PM No major reaction to ho-hum 7yr auction. 10yr yields down 7.7bps at 4.312 and MBS up 3/8ths of a point.
- 03:33 PM Best levels of the day. MBS up nearly half a point and 10yr down 8bps at 4.31

Lock / Float Considerations

Rates/bonds are still highly susceptible to big announcements on tariffs and other fiscal matters, but the willingness to panic is gradually subsiding as reality comes into focus as something likely less

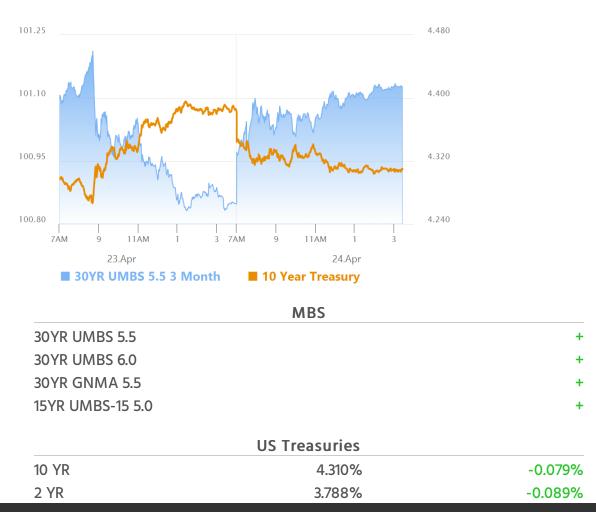
© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

data, and we expect traders to focus heavily on any evidence of tariff-driven price pressure. Although volatility risks are somewhat lower than they were over the past 3 weeks, they're still elevated relative to the baseline. Broader momentum remains debatable and dependent on factors that have yet to be determined (persistence of inflation, economic impact of tariffs, fiscal policy).

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



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

30 YR	4.767%	-0.056%
5 YR	3.928%	-0.078%

Open Dashboard

Share This