# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

# MBS Recap: Action Packed Calendar But No Major Action in Bonds



Patrick Smith Executive / Management / Banker, Integrated Funding P: (919) 847-2766

4098 Barrett Dr Raleigh NC 27609 67369



## Action Packed Calendar But No Major Action in Bonds

MBS Recap Matthew Graham | 4:50 PM

This morning's economic calendar was certainly the most action-packed of the present week. GDP had something for everyone. The evening news can no doubt harp on the "negative" headline while the financial market immediately understood the impact of a massive surge in imports. Numbers that exclude those accounting impacts make domestic consumption look normal and right in line with last quarter. Inflation was tame, but traders are waiting for future, tariff-affected reports. Treasury issuance was confirmed to hold flat, and the "massive" 6% increase in pending home sales is like a team who won 2 games this year vs 1 game last year saying their won 100% more. By the end of the day, bonds were almost perfectly unchanged, even after month-end trading brought a big of volatility at 3-4pm ET.

	ne varve						
			MMBSLIVE	10 ·		scriwca •	
THE PROPERTY	6	0.0	REAL THE CHART MANE	0 0 REAL THE OW	ett pop		MIS LIVE OWT
15.VE	Pro-	a the Carrier	106.75 (0.00) 106.75 106.77	10.75 10.48 1.8270 (-0		CON LON MON CON COM COM	Chinese Colores
Ran 10 Year 10 11	NUM OF		Sum Care and Sector Sector Sector		THE THE DAY NAME OF		The barrier is a second second to second the second second to second the second second to second the second
40 Res (0 Tear 30 35	10.15 - 0.00 	- 450 - 100 - 450	Mar 12	A TAN	S. Mar	Here Transver USPUTS 12 3054 Open 1,7030 High 1,7030 Low 1,7030	Anny Trans de Leonard
40 Mar 31 Taw 310						Court Title	Charlenge in the Second of County of
15 48 48 10 10 10 10	104.75 -0.00		-r ry-			444	Charlester Brennen
	Page 100.2109 (-0.0000) 100.3078 (-0.0000) 101.3084 (-0.0000)	1300 (1100)	And		-		International fails and International fails and Northwest North Annual fails North Annual fail fails
		14219 14414 14219 14414 2404 14160	Will Strengt Daniel Markets Consolidate And Will Strengt Daniel Markets Consolidate And Analytic Market Strengt Tength Will Congos To			Realinging	The site just have been for the site of the site just have be need the site of

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



Watch the Video

#### Alert

8:38 AM Bonds Losing Ground Despite Weaker GDP Headline

#### **MBS Morning**

11:31 AM Lots of Econ Data and Mixed Messages, But Not Much Change in Bonds

#### 4:31 PM

### Econ Data / Events

- • Employment Cost Index
  - 0.9 v 0.9 f'cast, 0.9 prev
  - GDP
    - -0.3 vs +0.3 f'cast, 2.4 prev
  - Core PCE QoQ
    3.5 vs 3.3 f'cast, 2.6 prev
  - GDP Final Sales
    - -2.5 vs +3.3 prev
  - Monthly core PCE
    - 0.0 vs 0.1 f'cast, 0.4 prev

#### Market Movement Recap

- 09:47 AM Initially weaker following data, but bouncing back on safe-haven buying (stock selling). MBS up 1 tick (0.03) and 10yr down 1.9bps at 4.157
- 10:22 AM Choppy trading, but generally resolving toward strength. MBS unchanged and 10yr down 1.4bps at 4.163
- 12:58 PM Still mostly sideways, with choppy trading dying down. MBS unchanged and 10yr down 1.2bps at 4.165

03:43 PM A bit stronger after 3pm month-end bond buying. MBS up 2 ticks (.06) and 10yr down 2.6 bps at

4.15

#### Lock / Float Considerations

The shift away from triple digit tariff brinksmanship has coincided with a calmer, stronger trading pattern in both stocks and bonds. We'd view this in the context of a range trade for now. i.e. if yields are closer to the lows from March, we'd feel more defensive while yields near April's highs could look more like an opportunity. Data dependence is still a thing--especially this week with several big ticket reports yet to be released. As such overnight floating carries increased risk.

## 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





#### **30YR UMBS 5.5**

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

30YR UMBS 6.0 30YR GNMA 5.5 15YR UMBS-15 5.0

US Treasuries					
10 YR	4.167%	-0.010%			
2 YR	3.611%	-0.037%			
30 YR	4.679%	+0.026%			
5 YR	3.734%	-0.031%			

+

Open Dashboard

Share This