MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Data Dependence is Back, But Not in A Fun Way



Don Reynolds President, Sr. Mortgage Broker, Apex Mortgage Brokers

ApexMortgageBrokers.com P: (941) 999-2624 M: (303) 356-5789 donreynolds@me.com

16 Linden Lane Breckenridge CO 80424 NMLS 1217170 Florida LO53316



Data Dependence is Back, But Not in A Fun Way

MBS Recap Matthew Graham | 4:17 PM

Bonds definitely paused their long term relationship with economic data in wake of the tariff announcement in early April, which was logical given the headline-drive volatility and uncertainty. 2 weeks ago, the connection looked to be returning. Now over the past 2 days, it's back with a vengeance. It's not that any of the data has been stunningly strong, but it's been much better than what some market participants were prepared to see. Friday's jobs report is the 2nd time in 2 days where traders have been able (or forced?) to reconcile their more dire fears with a less dire reality. Translation: higher stocks, higher yields. More big ticket data on the way on Monday...

	a ang para sa				and the second se		
			MMBS	LIVE	III • 10.7 •	100.1 * NITINGA * 📗 GLOV	
THE PRO	28 5	0.0	NEAL THE CHART MANE	0.0	HEAL THE CHART (K)		MES LIVE OWT
10.18			DOTEFINAL &	PR01 0705 LDW MDR 106,75 106,77 106,75 106,88	10 Heat Theory #	Page office side with	COLUMN STAR
	Prot	No Change	106.75 (0.00)	CHARTOTRONS+ DESCLOWER+	1.8270 (-0.0010)	LINE LINE LINE LINE CONFIDENCE	Ger Outree
Mar 30 Year 1			June Charl 24 THE THE THE WAI THE THE THE		Trans Coast Mr. The The The New York The The		This Date
18 -					Construction of the line line	Construction () and () and (They shill chosed much lower
							Andy Parlin, July 11 (191
						10 Feat Descary	
fee 30 Teer			1.1.1	14.11		100/05123096	Ana and the barter to an
		1984	1146		LACK.	Open 1,7810	AND AND RUD, AUXING
	100.441-0.00			III APPEAL DATE		Les LTHE	The state state playing a rule to
48			EU 100.0			Const 1784	The for Darake 1 (1) and
No. of Tes	- Free						ga bpare, apple beaf at eart
							Christopher Einennei + 11 -
						40.1	Christian Streets + 17
148	106,75 -6.00					1000	The Distance being 1.87 for

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



Watch the Video

Alert

8:32 AM First Move is Weaker After Higher Payrolls

MBS Morning

10:29 AM Reasonably Strong Jobs Report. Reasonably Weak Reaction in Bonds

Aler	
11:37 AM	Down More Than an Eighth from 10am Levels
3:42 PM	

Econ Data / Events

- • Nonfarm Payrolls

- 177k vs 130k f'cast, 185k prev
- Iast month revised down from 228

• Unemployment Rate

- 4.2 vs 4.2 f'cast, 4.2 prev
- Participation rate
 - up 0.1% (bad for bonds)

Market Movement Recap

08:36 AM Losing some ground after jobs report. MBS down about an eighth and 10yr up 5.5bps at 4.271

11:31 AM More selling. MBS down just over a quarter point and 10yr up 8.8bps at 4.305

12:06 PM More weakness. 10yr up 10.6 bps at 4.323. MBS down 9 ticks (.28).

03:57 PM Off the weakest levels, but still weak. MBS down a quarter point and 10yr up 9.3bps at 4.31

Lock / Float Considerations

Friday's jobs report reiterated the bond market's re-connection to big ticket economic data, even if the example was an unpleasant one. The recent range suggests there's room to move in either direction depending on data, and Monday brings another big ticket report. Translation, risks remain higher than normal with respect to floating.

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.

US Treasuries						
10 YR	4.306%	+0.089%				
2 YR	3.823%	+0.122%				
30 YR	4.789%	+0.068%				
5 YR	3.915%	+0.102%				

Open Dashboard

Share This