MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

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



Jerry Siegel Mortgage Loan Originator, Barrett Financial Group, LLC

www.jerrysiegelmortgage.com M: (415) 828-9343 jerry@camortgagepro.com

Home Office: Lafayette CA 94549 NMLS 236113



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...

			MMBS	LIVE	10. · · · · ·		1965 * 🔝 G		
THE PROPERTY	6	0.0	HEAL THE CHART MAN	0.0	REAL TIME COURT (40)				NUS LIVE OWN
12.18			DEPERTMENT OF	PROF 19935 Line mile 996,75 996,77 996,75 996,88	10 Year Treasury *				10220 011e4
	Pro	No-Denne A Triane Late	106.75 (0.00)	CONTRACTORI + DESCIONAT +	1.8270 (-0.0010)		CHART CASH CANART CASH		Gen Out New
Not 10 Your			Junction IN THE THE N	AT MARE THAT THAT	Incolore IN SEC.	THE R. LEWIS CO., LANSING			The lot Dariely of the second second barrier to
		100			THE OWNER AND THE THE	Construction (1981)			
8.8	10108-0101								Andy Field, dr. 1.1 or
	10675-680						ing Transmy		
fee 30 Tear -			1.1.1	19.10			ALC: U.S. DOM:		Carlos Darate Langet
		1994	1140				1290		ANY PARA ACCOUNTS
	100.44 -0.00			THE REAL PROPERTY.			1.100	10 I	P. These selects playing a role to
40			- U. BOUT						an bernet appier bead or man
Red Did Trees						-			
							1		Christopher Einennei, e
			1 10				40.5		Christianer Givenne 117.
							THE R.		The loss has been being 1.87 for
				A 100 100 100 100 100 100 100 100 100 10					Butthew Graham (1 14 pr.
fles .				Pine .	1	1 1 14			10 stan he mentioned had a k for yields.
			Concernance and the						Bathers Grafters: 1 11 pre-
			UNE NORS STREAM		And a state of the			-	💐 10216 a. Be arts Suppe Raf
					100 BERNETS FOR THE PARTY				

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



MBS & Treasury Markets

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

	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