

MBS & TREASURY MARKETS

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MBS Recap: 10yr Auction to The Rescue



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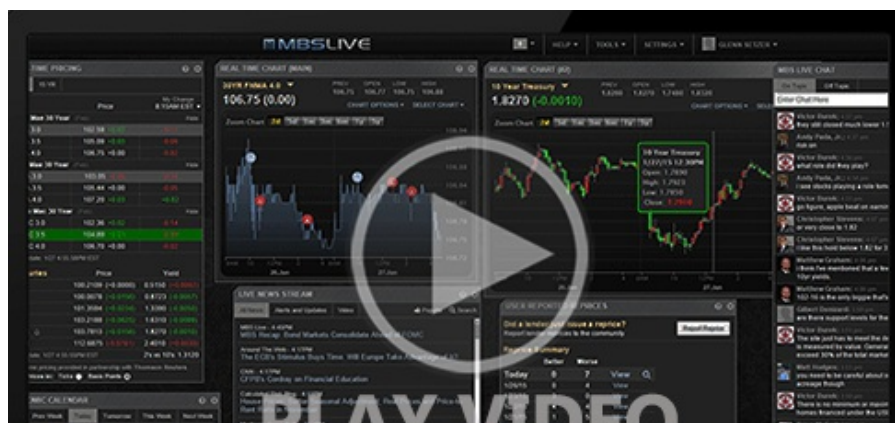
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10yr Auction to The Rescue

MBS Recap | Matthew Graham | 4:09 PM

Today's 10yr Treasury auction was the only relevant calendar event in terms of potential market movement and it lived up to its billing. Unlike the set-up to many auctions, there was no meaningful weakness in bonds ahead of the 1pm cut-off. The results themselves were decidedly strong and the immediacy of the market reaction reflected that. Yields dropped 4bps more or less instantly, and MBS ultimately added another eighth of a point of improvement to the eighth that was already in play before the auction. From here, attention turns to Wednesday's Fed announcement, specifically for Powell's press conference (because there's zero chance of a rate cut at this meeting).





10:37 AM 2-Way Trading, Slightly Weaker Start

1:24 PM Moving Into Positive Territory After 10yr Auction

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

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

US Treasuries

10 YR	4.305%	-0.040%
2 YR	3.794%	-0.040%
30 YR	4.808%	-0.028%
5 YR	3.900%	-0.039%

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