# MBS & TREASURY MARKETS

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## MBS Recap: Just as Underwhelming as Expected



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### Just as Underwhelming as Expected

MBS Recap Matthew Graham | 4:33 PM

No sense in trying to manufacture excitement out of something boring. Even before Fed speakers went into the customary blackout period 12 days ago, it was already abundantly clear that they were all on the same page--a page of uncertainty in an uncertain chapter of an uncertain book. Nothing had changed in the past 12 days that would allow the Fed or Powell to be any less uncertain about which of the two competing forces on rates would win out in the coming weeks/months. As such, there was nothing Powell could do but reiterate that fact 17 times for the 17 different versions of the same question. It's no surprise bonds are heading out the door precisely in line with pre-Fed levels.

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Watch the Video

MBS Mor	rning
11:04 AM	Not Expecting Fireworks From The Fed
Commer	ntary
2:00 PM	Here's What Changed in The New Fed Announcement
Updat	te de la constant de
2:04 PM	No Major Reaction to Fed Announcement Text
Updat	te de la constant de
2:49 PM	Losing Some Ground on Powell's Latest Comment
4:23 PM	

#### Market Movement Recap

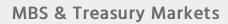
- 09:15 AM Sideways to slightly weaker overnight with a modest bounce in early trading. MBS up 1 tick (.03) and 10yr up less than 1bp at 4.305
- 02:05 PM 10yr yields are down 3.0bps on the day at 4.268 and MB are up 6 ticks (.19).
- 03:23 PM Some back and forth during press conference, but largely at pre-Fed levels. MBS up just over an eighth and 10yr down 2bps at 4.278

#### Lock / Float Considerations

Bonds have moved through Fed day without fanfare and now turn to a waiting game for next Tuesday's CPI data. Between now and then, the only other economic data of note is Thursday's jobless claims, which tends to only be noticed if it jumps sharply. Yields are fairly centered in the prevailing range. Risk/reward is fairly muted as long as the waiting game persists.

#### 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

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

US Treasuries					
10 YR	4.271%	-0.027%			
2 YR	3.780%	-0.003%			
30 YR	4.776%	-0.023%			
5 YR	3.864%	-0.029%			
5 YR	3.864%	-0.029			

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