

MBS & TREASURY MARKETS

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MBS Recap: Flat Friday, But Volatility Risks Remain

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Flat Friday, But Volatility Risks Remain

MBS Recap | Matthew Graham | 5:07 PM

Bonds started weaker, flipped stronger mid-day, and then slowly moved back to unchanged levels by the close. Most of the day's volatility surrounded comments from a Swiss finance minister on this weekend's US/China trade talks (in Switzerland). The movement was very small in the bigger picture, possibly reflecting the very low odds for any sort of trade resolution like yesterday's UK/US deal. Still, over the weekend headlines may provide hints as to where the discussions are headed, and that could be worth some volatility as the coming week begins. A day later, CPI will provide the first big-picture assessment of April's inflation (still exceptionally early when it comes to potential tariff-related impacts, but not too early to see some impact).





11:04 AM Lots of Fed Speakers, But The Focus is on China

3:14 PM Heads Up: Down an Eighth of a Point From Highs

4:50 PM

| | |
|----------|---|
| 09:59 AM | Modestly weaker overnight, but moving back into positive territory now. MBS up 1 tick (.03) and 10yr up 1.8bps at 4.359 |
| 01:14 PM | Mostly flat all morning. MBS up 1 tick (.03) and 10yr down 1.2bps at 4.365 |
| 04:49 PM | Heading out near weakest levels with MBS down 1 tick (.03) and 10yr yields up 0.7bps at 4.384 |

While the average mortgage lender isn't any worse off than they were earlier this week, the pace of Thursday's movement reintroduces the volatility risk surrounding trade-related headlines. From an econ data standpoint, Tuesday's CPI remains the focus, but random volatility risk is now substantially higher with US/China talks taking place over the weekend.

- **Ceiling/Support** (can be used as "lock triggers")
 - 4.64
 - 4.48
- **Floor/Resistance**
 - 3.99
 - 4.05
 - 4.12
 - 4.19
 - 4.24

- 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 | 4.383% | +0.006% |
| 2 YR | 3.897% | +0.023% |
| 30 YR | 4.838% | +0.006% |
| 5 YR | 4.009% | +0.023% |

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