

# 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")
  - o 4.64
  - o 4.48
- **Floor/Resistance**
  - o 3.99
  - o 4.05
  - o 4.12
  - o 4.19
  - o 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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