

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Bonds End Almost Perfectly Flat



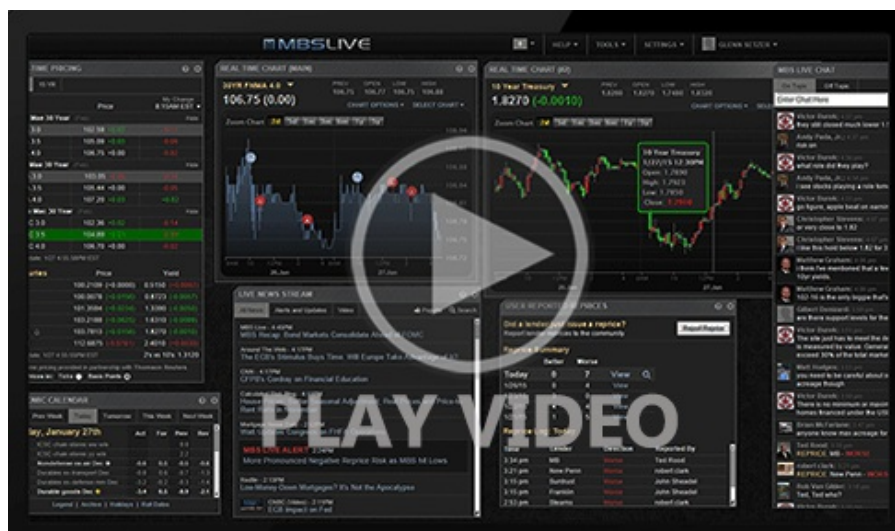
**Matt Graham**  
Founder and CEO, MBS Live

**MBSLIVE**

## Bonds End Almost Perfectly Flat

MBS Recap | Matthew Graham | 5:05 PM

There are two kinds of rate/bond watchers today: those who tuned in late in the day to see bonds almost perfectly unchanged and those who were tuned in through the mild volatility this morning. The former group would simply shrug and go back to whatever it was they were doing while the latter might be frustrated to see bonds losing ground on a morning where inflation came in lower than expected. For the frustrated crowd, this was the plan for today--the asymmetric risk discussed yesterday. A decent result was never likely to help bonds. The subsequent weakness was driven by other factors, not CPI (risk-on trading and a series of tariff headlines from China). Even then, unchanged is unchanged.



[Watch the Video](#)

## Update

8:38 AM CPI Comes in Lower. Bonds Aren't Mad

## Alert

10:09 AM MBS Down Just Over an Eighth From Highs

## MBS Morning

10:49 AM Stock Gains Creating Bond Pain After Flat Response to CPI

## Alert

2:20 PM Just a Bit Weaker and a Bit More Reprice Risk

4:41 PM

## Econ Data / Events

- ○ Monthly Core CPI
  - 0.237 vs 0.3 f'cast, 0.1 prev
- Annual Core CPI
  - 2.8 vs 2.8 f'cast, 2.8 prev

## Market Movement Recap

08:48 AM MBS up about an eighth and 10yr down 2.4bps at 4.446

09:58 AM Losing ground in the NYSE session. 10yr up 0.4bps at 4.474. MBS back to unchanged.

12:09 PM New lows. MBS down 3 ticks (.09) and 10yr up 2.4bps at 4.492

04:49 PM Decent late bounce. 10yr roughly unchanged at 4.47. MBS down 1 tick (.03)

## Lock / Float Considerations

- Bonds/rates find themselves in the unpleasant position of not knowing where their next big impetus for improvement will come from. While it's true that rates can fall despite an obvious catalyst, this is nonetheless not a float-friendly environment. The only foreseeable exceptions would be for seriously weak economic data and another big dip in stocks.

## 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	4.469%	-0.001%
2 YR	4.006%	+0.007%
30 YR	4.907%	-0.009%
5 YR	4.097%	-0.016%

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