Daily Coverage. Industry Leading Perspective.

MBS Recap: (RESEND, Updated Video) Another "Just Because" Sell Off



Matt Graham Founder and CEO, MBS Live



Another "Just Because" Sell Off

MBS Recap Matthew Graham | 5:07 PM

NOTE: The initial recap has a video link that is non-functional. The only change here is to today's video link. Access it below, or right here: https://youtu.be/kl9fl2s4cCQ

This is getting old... and unfortunately, more prevalent. The bond market has been offering up more and more examples of reasonably brisk changes in yields without any obvious catalysts. This forces market watchers to concoct narratives to fit the price action (i.e. to say things that wouldn't be said if the mystery move was a rally). In other words, guesses and generalizations are the name of the game. What we do know is that a broad rotation out of bonds and into stocks is underway, even if stocks weren't a good example of that today. We know there were some headlines regarding potential Korea/Japan trade deals in the works. And we know the bond market isn't thrilled with the potential Treasury issuance implications associated with congressional budget headlines. All that having been said, the reality is probably significantly more complicated and boring than this small collection of usual suspects.

			MBSLIVE	🔝 * 100.0 * 100.0 * MILLION * 🔝 GLONG MILLION *	
3100 210	016	0.0	TREAL TIME CHART MANS	0 0 FREALTINE COURT 400	OWAT
11.18			starts sharts and	The star being a tree tree and the star	011an
	Pro-	a vision sale .	106.75 (0.00) (mell provide - 50)		lare .
Bar 18 Te			June Day 18 Sector Sector 1975	Doors Class M THE THE THE THE THE THE THE	Dariel, 1
	100 10 101	100			And an average of the second
**	10108-0101			The second secon	
ates 10 Te			9		Danale + Course
3.0	10.00		118	Open 1/100	Territory and a second second
45	10144-010		Indiana a sur a		to be playing a rule to
				the second	Elevania: + 100 personale rest, applie benafi pet mant
No. 20 Test Conc. And					re, appre bear of each reflect Environm. • • • •
C 38	10.06				close to 1 K2
C35	106.78 -0.00				
	0.009107		and the second se		in these before it A() for an Grapheric in it and
-	Para	100	Search and a state of the	The second se	we memboried that all
	100,2109 2-8 8000	ASTIN COMMON	Construction of the local division of the lo		
			LIVE NOWS STREAM		a fie and bage for
			All and an appropriate lines and and		
			MILLION AND N		re apportants for t
			With Recard Rand Markets Consultants Advantación/CoAC	Report Annual State & Report Annual State	Barelo, 110 per

© MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.



Watch the Video

MBS Morning					
11:13 AM	Where is The Next Move Coming From?				
Aler	t series and				
11:22 AM Down More Than an Eighth					
Aler	t de la constante de la constan				
1:01 PM	Negative Reprice Risk Increasing				
Alert					
3:11 PM	One More Alert For The Day				
4:40 PM					

Market Movement Recap

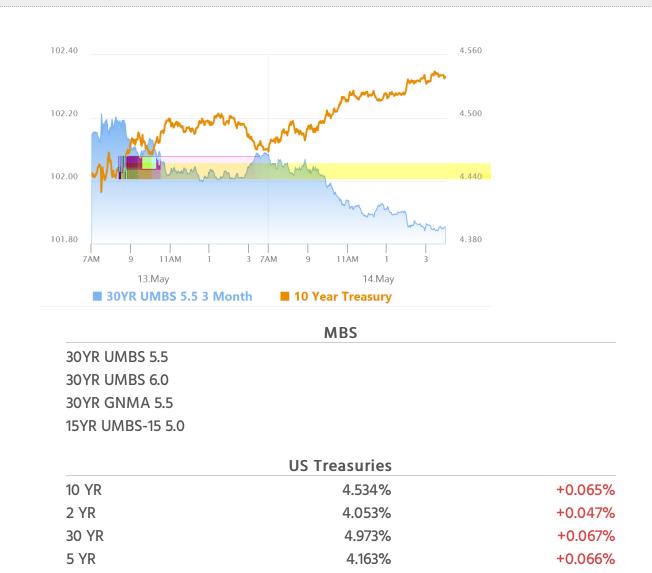
- 10:06 AM Modestly weaker overnight and a bit weaker so far. MBS down almost an eighth and 10yr up 2bps at 4.49
- 12:29 PM More weakness. MBS down just over a quarter point and 10yr up 5bps at 4.519
- 02:26 PM Flat at weakest levels. MBS down 9 ticks (.28) and 10yr up 5.3bps at 4.522
- 03:11 PM Weaker at the 3pm CME close. MBS down 11 ticks (.34) and 10yr up 6.5bps at 4.534

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

Open Dashboard

Share This