# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Ultimately Sort of Flat if You Use Your Imagination



Seth Wilcock MLO, CMA, VMA, CMPS, CVLS, Resolute Lending Powered by IMB

www.resolutelending.com **P:** (720) 593-6682 **M:** (720) 590-2492 team@resolutelending.com

3209 W Smith Valley Rd Greenwood IN 46142-8020 NMLS 389617 | IMB NMLS 2191655 Equal Housing Opportunity



# Ultimately Sort of Flat if You Use Your Imagination

MBS Recap Matthew Graham | 5:00 PM

Here's a quick and easy method for imagining that bonds were flat today. Step one, go back to yesterday and use 3pm as a closing time (not a crazy request considering that's the traditional end-of-day marking time for Treasuries). Then do the same for today. The result is that 10yr yields are up about half a bp. Feel free to round that down to 0bps, and voila! Flat day. That assessment actually fits better with the calendar and the general vibe. AM volatility came and went surrounding budget headlines and bonds are once again flirting with 4.5% 10yr yields on a holiday-shortened, mostly data-free week, waiting for the next shoe to drop.

			and the state of the	and the second	and the second se			
			MMBSLIV	′∈	10 ·			
Inc Pace	4	0.0	REAL THE CHAIT MAN	0.0	HEAL THE CHART HOT			MES LINE OWNT
			3010 FINAL 4.0 *	19935 LOW MOR 108,77 108,75 108,44	10 Year Treasury *			COLUMN OF MAN
	Pro	And the Course	106.75 (0.00)	NUT OFTICALS BUILDING	1.8270 (-0.0010)		DATES OF THE REAL PROPERTY AND A	Gran Chat There
Res 10 Year 1			June Charl Md That That That West	NOT THE	Income in the life	100 100 100 100		En la Dank
	102 14 121	1000						
								Anty Parks, July 1
						18 Feat Trace		The state bank there
ine 30 Years of			1	194.00		A	M	Total and the set of the play?
		104	11.105			Open 1,7830		Anty Party, ALL LINS
	10144-0.00			A PROPERTY OF A		High 12523	414	These shocks pring a role 1
	10720-1111		10 10 10 M			One 1700	10.00	The form and the second
the Distance						Constant of the local data		
	10030-0010			and the second second				Christopher Kinnessi, 117

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



Watch the Video

#### **MBS Morning**

#### 10:11 AM Budget Battle Hitting Bonds Amid Empty Calendar

#### 4:43 PM

#### Market Movement Recap

- 10:47 AM Modestly weaker overnight with additional selling in the first 2 hours. MBS down 5 ticks (.16) and 10yr up 4.2bps at 4.492
- 01:53 PM Decent recovery with MBS down only 3 ticks (.09) and 10yr up 2.7bps at 4.478
- 04:47 PM Heading out in moderately weaker territory, but in line with y'day's mid day levels. MBS down 6 ticks (.16) and 10yr up 3.3bs at 4.483

#### 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
  - o 3.99

0	4.05
0	4.12
0	4.19
0	4.34
0	4.40

102.24 4.640 102.12 4.560 102.00 .480 101.88 4.400 11AM 7ÅM 11AM 3 7AM 9 9 20.May 19.May **30YR UMBS 5.5 3 Month** 10 Year Treasury

### 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	4.487%	+0.037%			
2 YR	3.968%	-0.001%			
30 YR	4.972%	+0.069%			
5 YR	4.067%	+0.006%			

Open Dashboard

Share This