MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Treasury Auction Blamed as Bond Vigilantes' Smoking Gun



April Palacios

Branch Sales Manager, Fairway Independent Mortgage Corporation

P: (980) 290-4140 **M**: (704) 989-2961

6431 Old Monroe Rd, Suite 201 Indian Trail North Carolina 28079 124941





Jennifer Buenau Broker/REALTOR, Untied Real Estate Queen City

https://youknowbuenau.com/ M: (845) 800-5878 jennybsellsthecarolinas@gmail.co m

7880 Idlewild Rd Indian Trail NC 28079-___



Treasury Auction Blamed as Bond Vigilantes' Smoking Gun

MBS Recap Matthew Graham | 4:32 PM

Vigilante justice! Taking matters into one's own hands! It's a sensational concept when applied to the bond market, but the term hasn't really done us many favors over the years. It happened to work for a headline today because the term is as over-the-top as the notion that today's 20yr auction was some magical "ah ha" moment leading to a massive reprimand of congressional budget negotiations in both stocks and bonds. In actuality, the auction was fairly average--certainly nothing that warranted the stock/bond swoon, but if markets were looking for an excuse to sell (a smoking gun?), it was one of the only options.

	MMBSLIVE	🔝 * 10.0 * 100.5 * STINGS * 🔛 GLONE W	
INE PIECHES 0 0	REAL TIME CHART (MAIN)	0 FRALTINE OWNER	MES LIVE OWAT
15.V#	Server Probable & Proc. or the second	to have been up when they are man	CONTRACTOR OF THE
Pro Ethere	106.75 (0.00) tot./5 tot./5 tot./6	A RATA CA AATAL LINE LINE LINE LINE	DRIF ONETWO
test 10 Year / Factor	June Court 24 That that that that they may that	A survey of the local data have been presented as	They shall be set and the set
A CONTRACTOR OF A CONTRACTOR O	Annual start and line and line and line line.	Lose Out 20 DE THE DR DR DR THE TH	Two sill depert much lower
A DOUBLE IN THE			
a 19673-648 484		The Income	Contraction of the second
	•		and have been been play?
Rea 30 Read of the Page	10.00	Den 1/88	Contraction of the page
10 10.05.000 200			And Parks, According
15 105.44 -0.00 405		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Tank studie playing a nim to
10 NP20110		A DECEMBER OF A	The bar Barble 1 man
No. 31 Test June .			an beren, spele beat or ear
50 90200 4112 814			Christopher Streems +17 -
55 No.88 -175 218			arvey door to 182
48 1 106/0 408 407			Christigher Verseen 117 a
de 107 KTE MPH (117	and the second se		Battley Grahami - H
	And		I them for membered that a
Nas Pice Yest	ALC: NOT THE REAL PLAN	the state of the s	10yr yields
100,2109 (-0.0000) 0.5150 (-0.0001)	and the second se	A PA	Wetthew Graham:
100.0078 (10.0100) 0.8720 (0.000)	UNE NONS STREAM		📲 102 to a the only logge the
10100010010100 100001000	and an extension to a fear the	AND DECEMPTORY PROF 0	THE General Demands 1 Mars
100,000 110,000 14000 100000		- Andrewski Andrewski	are have napport levels for it
a sectore receipt table	MELLINE & REPAIL	Did a lander out nove a reprise? Asset Reprise?	with the log through the set
COMPACING A STATE OF STATE	WITS Recap. David Warkets Canadidate Alfred 14/2010		The alle just has to meet the
a strain water and a strain strain	Alord The Web 14 USH	Fighting & Onimaty	is measured to value Gener exceed 50% of the bills made
	The ECE's Denotes Trees Will Europe Takes Albert Const 27	And And	
	CAR ATTN	Telay 0 7 Year 0	Wet history in an
tere les Tets . Reis Parts O	OFFER Control on Financial Education	start i start	Roman Pringh
	Constanting the station of the second s	1000	Con State Dank 10 pr
			There is the memory of the
terms Trent In the Arrist	The second se		Nones transit under the U
	A Description of the second seco		The Bran McFarlanet 1 KT are
sy, January 27th Aut for New New	THE PARTY AND A DESCRIPTION OF THE PARTY OF	THE REPORT OF TH	anyone know mer acreage t
		the later backs backets	Tel Real Lifer
	MENDYEALERY THE		ALC: NOT THE OWNER.
Rendelense man (m. 8 44 44 44	More Pronounced Negative Reprice Test as MOS M Lows	336pm MB Tel Rood	and address to the second
	Non-LOW	331pm Nov-Pent Matter Inderfictent	ALL PROPERTY AND ADDRESS OF
	Low Marke Cook Matpages? I's Not the Apocalizes	115pm Barbard Martin John Deable	The New Gallery 117.000
Deale point to 0 .54 K5 K8 .21	a second second design of the second s	215pm Partin Motor John Deaded	Tel, Tel, Tel etc.1
	and the second s	232 pm. Sharts Motio Indef data g	The states forester 1 and an

Watch the Video

MBS Morning

10:50 AM Nothing For Bonds to Trade But Fiscal Disillusionment

Aler	t	
1:17 PM	Wea	kest Levels After 20yr Bond Auction
Aler	t	
2:18 PM	Neg	ative Reprices Becoming Likely Despite Stabilization in Bonds
4:06 PM		

Market Movement Recap

09:21 AM weaker overnight amid ongoing budget battle. MBS down just over a quarter point and 10yr up 5.3bps at 4.541

- 01:04 PM A bit weaker after 20yr auction. 10yr up 6.5bps at 4.553 and MBS down nearly 3/8ths.
- 02:37 PM Additional selling in both stocks and bonds. MBS down half a point and 10yr up 9.4bps at 4.582. Weakness looks to have stabilized for now though.

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 or a miraculous improvement in the debt issuance outlook.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - ° **4.64**
 - **4.48**
- Floor/Resistance
 - o **3.99**
 - **4.05**
 - **4.12**
 - **4.19**
 - **4.34**
 - **4.40**



MBS & Treasury Markets

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

	MBS	
30YR UMBS 5.5		
30YR UMBS 6.0		
30YR GNMA 5.5		
15YR UMBS-15 5.0		
	US Treasuries	
10 YR	US Treasuries 4.590%	+0.103%
		+0.103% +0.046%
10 YR	4.590%	

Open Dashboard

Share This