

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Slightly Stronger Because Not Every Day Can be Weaker



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Slightly Stronger Because Not Every Day Can be Weaker

MBS Recap | Matthew Graham | 4:36 PM

Bond yields have moved almost exclusively higher in May. At the very least, they've been in an incredibly linear uptrend. Uptrends wouldn't last very long if there wasn't some push and pull (think 2 steps forward, 1

The image shows a screenshot of the MBSLIVE website interface, which is a financial data platform. A large, semi-transparent play button graphic is centered over the page, with the text "PLAY VIDEO" written in large, bold, white letters across the middle. The website layout includes several sections:

- Top Navigation Bar:** Contains the "MBSLIVE" logo, a "HELP" button, and links for "TOOLS", "SETTINGS", and "LOGIN/REGISTER".
- REAL TIME CHART (INTRA):** Displays a candlestick chart for "2019 FOMBA 4.0" with a price of "106.75 (0.00)". It includes tabs for "Price", "Open", "High", "Low", and "Close", and a "CHART OPTIONS" button.
- REAL TIME CHART (DAY):** Displays a candlestick chart for "10 Year Treasury" with a price of "1.8270 (-0.0010)". It includes tabs for "Price", "Open", "High", "Low", and "Close", and a "CHART OPTIONS" button.
- LIVE NEWS STREAM:** A list of news items with timestamps and headlines, such as "MBSLIVE: 4.0000" and "MBSLIVE: 4.0000".
- PRICE'S:** A table showing various currency prices, including "USD/JPY", "USD/GBP", "USD/CHF", "USD/SGD", "USD/HKD", "USD/TWD", "USD/THB", "USD/IDR", "USD/PHP", "USD/VND", "USD/INR", "USD/BRL", "USD/TRY", "USD/ZAR", "USD/RUB", "USD/PLN", "USD/CZK", "USD/HUF", "USD/SEK", "USD/NOK", "USD/DKK", "USD/ISK", "USD/TRY", "USD/ZAR", "USD/RUB", "USD/PLN", "USD/CZK", "USD/HUF", "USD/SEK", "USD/NOK", "USD/DKK", "USD/ISK".
- REAL TIME CHART (WEEKLY):** Displays a candlestick chart for "2019 FOMBA 4.0" with a price of "106.75 (0.00)". It includes tabs for "Price", "Open", "High", "Low", and "Close", and a "CHART OPTIONS" button.
- REAL TIME CHART (MONTHLY):** Displays a candlestick chart for "2019 FOMBA 4.0" with a price of "106.75 (0.00)". It includes tabs for "Price", "Open", "High", "Low", and "Close", and a "CHART OPTIONS" button.
- REAL TIME CHART (YEARLY):** Displays a candlestick chart for "2019 FOMBA 4.0" with a price of "106.75 (0.00)". It includes tabs for "Price", "Open", "High", "Low", and "Close", and a "CHART OPTIONS" button.

MBS Morning

10:06 AM Conspicuous Absence of Volatility After Data and Spending Bill Vote

3:38 PM

Econ Data / Events

- ○ Jobless Claims
 - 227k vs 230k f'cast, 229k prev
- Continued Claims
 - 1903k vs 1890k f'cast, 1867k prev
- S&P Services PMI
 - 52.3 vs 50.8 f'cast, 50.8 prev
- S&P Manufacturing PMI
 - 52.3 vs 50.1 f'cast, 50.2 prev

Market Movement Recap

09:25 AM ~~modestly weaker after spending bill passage but back to unchanged in MBS now 10yr down~~

modestly weaker after spending bill passage, but back to unchanged in MBS now. 10yr down 1.3bps at 4.588

12:19 PM Nice rebound, perhaps on news that spending bill could take all summer. MBS up 6 ticks (.19) and 10yr down 6bps at 4.542

04:27 PM Heading out near best levels with 10yr down 6.3bps at 4.538 and MBS up nearly a quarter point.

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")
 - o 4.64
 - o 4.48
- Floor/Resistance
 - o 3.99
 - o 4.05
 - o 4.12
 - o 4.19
 - o 4.34
 - o 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 | 4.530% | -0.070% |
| 2 YR | 3.989% | -0.033% |
| 30 YR | 5.042% | -0.046% |
| 5 YR | 4.091% | -0.079% |

Open Dashboard

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