# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

# MBS Recap: Minimal Movement Amid Absence of Data



Kevin Burrus Senior Home Loan Officer / Certified Financial Coach, Barrett Financial Group, L.L.C. NMLS#181106

P: (480) 330-7252 kevinb@barrettfinancial.com NMLS#745375



# Minimal Movement Amid Absence of Data

MBS Recap Matthew Graham | 4:47 PM

It was ultimately a fairly uneventful session for bonds with the 5yr Treasury auction serving as a "sell the rumor, buy the news" event. In other words, traders were net sellers before the auction and then waded back into the market afterward. The wading wasn't as pronounced as the selling, but the net effect was negligible. Fed Minutes played no notable role in volatility. From here, tomorrow's 7yr auction can play a similar role, but there will be more economic data to digest (both tomorrow and especially Friday). The dark horse market mover may end up being month-end trading, which can create significant swings for apparently no reason at all.

			MMBS	LIVE	10 · 10.0 •		GLOWN SETER	
THE PROP	<b>1</b> 5	0.0	NEAL THE CHART MAN	0.0	REAL THE OWNER			MES LIVE OWNT
12.18			DEPERTONNAL #	PROV OPEN LEW MER \$18,75 \$56,77 \$18,75 \$19,88	10 Year Treasury *	AND OTHER LONG	antan a	COTON OF INC.
		No Change B YOAN LOT	106.75 (0.00)	CHART DETROIT + DELECTORAT +	1.8270 (-0.0010)		Over orneys - so	
Max 36 Year's Free Free			Annual Control and their test test test test test		Annual Court and The Third Star Star Top Top		They also theread a survey to see a	
		101			Construction of the last last			Andy Parls And 1 1
								Add and
					and the second s	10 Feat Sea		Con state bank i have
else (0 Total			10.0	104.04		Contraction of Contraction		and non-the two play?
	10.01	1041	1140			Han 12511		And Parks, March 199
	10144-000		INCOLUCE U			Low 1,7008	100	21. Take studie playing a role b
			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					The for the second seco
Red Do Team								Contraction of the second seco
							<b>1</b>	The service does to 187
			i n	A State		ALC: NO		Christianer Mersons: 117
								The ballog being 1.82 for
			the first of a little with	the state of the s				Butthew Grahami a 10 per
attes -				Piles .		1 1 14 14		Then he mentioned that a
	100,2109 218 80003						27.het	Berthers Graham an Inum
			LIVE NOWS STREAM		Long and L			- 💐 102 hi a be arts bage b
			ALC: NOT THE OWNER.	the state line	CONTRACTOR OF		0.0	Ettert Dentarts 110 pr.
			MELLIN LANK	and the second se	Def & behavior and many	a reprint T		are have named aven for
			With Recipt David Markets	Consultant Annual INCOME	Reporting of the last		and Aspin 1	The site and has to meet the
	THE MET'S COMPANY		Arried The Date of LTHE		Taxana Burnary			is measured by value Carry
March MILLING MILLING	NAL NOT A DESIGNATION OF A DESIGNATIONO OF A DESIGNA		The ECE's Demoket Trans	Taxa and Design Takes Down 1997		-		exceed 10% of the loter man

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



Watch the Video

#### Alert

#### 9:50 AM Down More Than an Eighth From Highs

#### **MBS Morning**

12:14 PM Hesitation Ahead of Treasury Auction and Month-End

#### 4:26 PM

### **Market Movement Recap**

- 09:38 AM Roughly unchanged overnight and weaker since 9am. MBS down almost an eighth and 10yr up 3bps at 4.476
- 01:11 PM Slight bounce after 5yr auction, but still down almost an eighth in MBS and still up 3.4bps in 10yr yields at 4.479
- 02:26 PM No reaction to Fed Minutes. MBS and Treasuries both right in line with previous update.

### Lock / Float Considerations

Rates have managed to find support at recent high yields after spending most of May moving decisively higher. We're now watching and waiting to see if the supportive bounce has legs. This would be the earliest possible moment that risk takers might finally considering something other than locking for the past several weeks. The counterpoint and caveat remains that a truly worthwhile rate rally will require sharply weaker economic data, a consistent failure of tariff-driven inflation to materialize, and/or a legitimate reason to expect lower Treasury issuance.

## Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - ° **4.64**
  - **4.48**

FIOUI/Resistance \_

- **3.99**
- 4.05 0
- · 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	4.478%	+0.033%			
2 YR	3.992%	+0.013%			
30 YR	4.977%	+0.025%			
5 YR	4.064%	+0.032%			