## MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

# MBS Recap: Bonds Hold Morning Gains; No Reaction to Tariff Headlines

### Adam Fuller

Senior Loan Officer, Mortgage 1 Inc.

www.m1gr.com/af P:(616) 552-4663 x2 afuller@mortgageone.com

3243 East Paris Ave. SE Grand Rapids MI 49512 1317422



## Bonds Hold Morning Gains; No Reaction to Tariff Headlines

MBS Recap Matthew Graham | 4:45 PM

To be clear, markets reacted to tariff headlines yesterday evening when the news was that a court decision would block certain tariffs. But even before today's most relevant tariff headlines, markets had correctly sniffed out the outcome. In short, tariffs are back in effect pending further review by the court and even then, traders expect the administration to find ways around any attempted block. Bottom line, there was no reaction to today's headlines by the time they came out because markets traded the likelihood overnight. Tepid econ data and a well-received 7yr Treasury auction added mildly to the gains.

			MMBSLIVE	<b>M</b> • •		- E G.CHA 1972	
100 100	016	0.0	BEAL THE CHART MAN	0.0 HALTHE OWN	19		MIS LIVE OWT
11.18				10 New Treasury	· Page dram une		COTON OF MAN
		A TOAM COL		1.8270 (-0.0		CONFERENCE SE	
Max 10 Year / Fait			June Care 24 This first that they first	Inter Over 10	Anna Charl Mr. THE THE THE NEW YOR THE THE		They shall be set a such lower
	100 100 100	100		10.04			Andy Parls Ave a local
	10108-010						All Annual Contraction of the local division
					A Dates March		The sector Darake Lines
nice (10 Tax		144		14.11	Cores 1/		The set of the proof
38	10.01		LUL		100 Dec 10		Tanta starts alleging a rate to
48	107.28 -1 11				1.00	10 A A	The Party State of the Party of
-					Out I	398 J. P. 1	an tourn, apple beaf or ear
130	10.00 -0.00			Contraction of the local division of the loc			Christopher Koverni, 117
6.9.9	NUMBER OF COM						A service door to 1.82
	106.70 -0.00						Christigher Versens: 117
AND NOT AND ADDRESS OF			treatment and and and a state				mathem Graham 1 11 an
-	Page 1	And a					Them for mentioned that a
	100,7109 (-0.0000)		Line and the second		C 1 1 1 1 1	17.0m	10yr ywlda
	100.0078 [10.0100]	94723 (19967)	LIVE NOWS STREAM				107 to a Be arts bage Be
	NAME AND ADDRESS OF	12080 (12050)	States Incompany land	ATT GARD OF REPORT	and second	0.0	BEER Gallant Damagerik 1100 pre-
	NUMBER OF STREET			Def a lander	and a reprint		an here apport even for
			Will Decar Devel Markets Consultates Allow		First is the contemporty	They have a	The barrier of the second
		24040 101000	Annual The State of Lifest				The site just has to read the is measured by value. Gene
			The COT's Densite Days Term Hill Curpe Tal	and a second sec	wy Room		exceed 10% of the loter mart
or print provide to performing with Thomson Review				Inter a	7 Ver 0		West Hardparts 111 per

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



Watch the Video

#### Update

8:35 AM Small Boost From Claims and GDP Revisions

#### **MBS Morning**

10:56 AM Overnight Trading Makes No Guarantees

#### 4:03 PM

#### Econ Data / Events

- Jobless Claims
  240k vs 230k f'cast, 226k prev
  - GDP revision (q1)
    - -0.2 vs -0.3 f'cast
  - Corporate Profits
    - -3.6 vs 5.9 f'cast
  - Final Sales
    - -2.9 vs -2.5 f'cast
  - Consumer Spending
    - 1.2 vs 1.8 f'cast

#### Market Movement Recap

- 08:36 AM Slightly stronger after data. MBS are up 1 tick (.03) and 10yr yields are down just under 1 bp at 4.469.
- 12:31 PM flat at stronger levels ahead of auction. MBS up 7 ticks (.22) and 10yr down almost 5bps at 4.43
- 04:14 PM Drifting out sideways near strongest levels. MBS up 6 ticks (.16) and 10yr down 4.8bps at 4.432

#### LOCK / Float Considerations

Rates have managed to find support at recent high yields after spending most of May moving decisively higher. Prevailing momentum is sideways in a fairly narrow range in the bigger picture. Month-end trading can cause random volatility on Friday. It continues to be the case 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**
- Floor/Resistance
  - **3.99**
  - · 4.05
  - **4.12**
  - **4.19**
  - **4.34**
  - **4.40**



#### **MBS & Treasury Markets**

#### **US Treasuries**

+

÷

+

+

1	0 YR	4.423%	-0.056%
2	2 YR	3.938%	-0.055%
3	30 YR	4.923%	-0.055%
5	5 YR	3.998%	-0.068%

Open Dashboard

Share This