MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Strongest Close of the Week After Well-Contained Month-End Volatility



Dena Rodriguez Mortgage Banker, The Federal Savings Bank

www.thefederalsavingsbank.com/ denarodriguez P: (314) 451-2484 M: (830) 310-4939 drodriguez@thefederalsavingsban k.com

1 South 4th Street Columbia MO 65201 1250387

Dena Rodríguez

Strongest Close of the Week After Well-Contained Month-End Volatility

MBS Recap Matthew Graham | 4:19 PM

There was always a reasonably high bar for today's econ data to have a big impact. When it came out right in line with expectations this morning, that ship sailed. That left the month-end trading environment as the most likely source of inspiration. While we can certainly see some evidence of month-end volatility, it played out in a narrow range. More importantly, it resolved with bonds at the strongest levels of the week, even if by only a small margin.

			MMBSLIVE		🖬 • 10.0 • 100.5 • 100.5 • 🔛 0.000.0000		
INC PROM	4	0.0	HEAL THE CHART MAN		REAL THE CHART HO		MIS LIVE OWT
10.18			DOTE FORMAGE IF		10 Year Treasury *		COLOR OF MARK
	Pro-	An - Change	106.75 (0.00)	COURT OFFICIAL A DOUGLE COURT +	1.8270 (-0.0010)	LESS LESS LESS LESS	Distributions
Res 20 Year 1	Free Cont 24 Section Section 197 197			ALC: NOT THE THE	Described IN THE THE	The Dariely of the Second Second	
		100			The second second second	()	They still closed much lower
							Andy Paula, dog to 2 and
4.0					and the second second	10 fear Dearsey	CO these bases a read
Real (10 Years of			1.0	104.00		100/05 12 30%	Aug. Station and Res play?
		104	1140	•		Open 1,7830 High 1,7813	And And Parks, All Column
	101.44 -0.00			THE REAL PROPERTY AND ADDRESS		Les LTHE	Taxe study playing a nim for
48			U BOOL	The second se	and the second se	Gene 17814	The Res Property of the second
No. 21 Test							ga kpure, apple heaf or ears
							Christopher Environt + 17 -
						140.1	Contraction of the second second
	106.70 -0.00					1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	The loss has been being 1.87 for
				100 State 1		The state of the state of the state	Bathers Grahami and an in the second

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



Watch the Video

MBS Morning

9:14 AM Ho-Hum PCE Inflation Data Leaves Focus on Month-End Trading

3:42 PM

Econ Data / Events

Core PCE monthly 0.1 vs 0.1 f'cast, 0.0 prev

- Core PCE Annual
 2.5 vs 2.5 f'cast, 2.7 prev
- Wholesale Inventories
 - 0.0 vs 0.4 f'cast, 0.7 prev

Market Movement Recap

- 08:40 AM flat overnight and minimal reaction to data. MBS unchanged and 10yr up 1.5bps at 4.435
- 11:31 AM Steady near unchanged levels in MBS. 10yr down 1.2bps at 4.407
- 03:40 PM Best levels of the day, but minimal movement overall. MBS up an eighth and 10yr down 2.1bps at 4.399

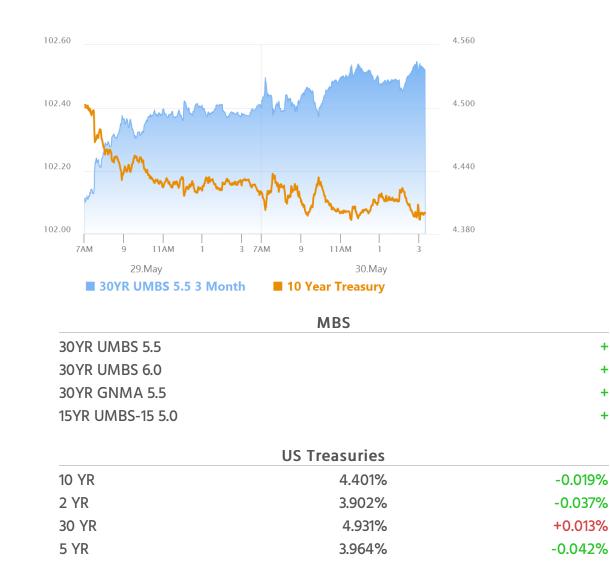
Lock / Float Considerations

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. 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
 - o **3.99**
 - ° 4.05
 - ° 4.12
 - **4.19**
 - **4.34**
 - **4.40**



MBS & Treasury Markets

Open Dashboard

Share This