MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Perfectly Logical Reaction to On-Target Data



Anthony Ruddy Loan Officer, HomeLoanDone.com homeloandone.com M: (949) 246-0192



Perfectly Logical Reaction to On-Target Data

MBS Recap Matthew Graham | 5:02 PM

It's not necessarily a fun fact to face, but today's bond market sell-off was a perfectly logical reaction to the modest beat in NFP. But wait, what about the negative revisions?! Yes, it's still a logical reaction. Reasons for this are exhaustively discussed in today's video, but the short version is as follows. Wednesday's rally was largely about Wednesday's data carrying anecdotal implications for Friday's jobs report. When Friday's jobs report didn't deliver the goods, the rally was erased. Revisions didn't matter because last month's NFP was a big beat in and of itself and only revised to levels that were still higher than today's headline. Bottom line: NFP looks sideways at decent levels--not at all worthy of the concern suggested by Wednesday's reports and other generally weaker data over the past week.

		MMBSLIVE	M: -	n.e • 100.1 • sciinci • 🔝 o	
THE PECKS	00	EAL TIME CHART MAN	0 0 REAL THE OWAT O	M	MES LIVE OWN
10.10		AND PARALLY THE STORE	To New Treasury	· Page lifts the weat	COLOR OF A
Per 1	No-Charge	LAG 75 (A AM)	1.8270 (-0.00	010) table table their table	DRA DALTAN
Not 20 Year		Annual International Part and Part Part	and the second se	SETTING THE NUMBER OF THE OWNER.	the barrier of the second second
LB NOTAL COL	100		Linite	HE THE DAL NUMBER OF THE TAX	They still closed much lower
					Andy Parks, March 19 and
				10 fear Dearsey	The state bank it is an
No. 10 Taxes		1	Concernant and Concernat and Concernant and Concernant and Concernant and Concern	Const 1 Abor	Ara and one of the play?
10 10.00 10.	1998	•		Han 1791	Anty Parts, Accessor
3.5 101.44 -0.00				10012703	21 rand stacks playing a rand
48 10729-111				Que 1284	an tore age to a se
Ward 20 Team of the					Christopher Enverni + 17
100 NO NO NO					ar way close to 1.82
35 104.88 1011			And a local division of the local division o	4057	Christigher Sevens; 117
143 106,79 -0.00					The first has been taken the
		tes in the 1 line of the		the second se	Bethew Graham (1 14 per
Plas Plus	Yest	20		the state of the state	the party of the party
100,2109 (-0.0000) 0.51		CAME MORE STORAGE		R	Wolfberg Graham: 1 11 21
			CONTRACTOR INCOME.	a reas	10 10 to the arts buge th
	NO THE MONT	States And and passed in the	a Pager 12 hand		Collect Designed, 110 per
		MELLIN A KINN	Did a landar get		
12,0075 (10,001) 3,40		WITS Recap David Warkets Consolition All-	ALON: MUNICIPALITY	Carl to the continuesty	The site and has to meet the
	101010100	Arrest Tes Ven 18 1798	Page 10 Page 10		is measured by value. Carr exceed 50% of the lots ma
the print provided in partnership with Thomas		The COD's Denotes Days Tense Will Europe T	and the second se	er menne	The And Delays, 111 or
una at: futa . Basa Parta @		Contractions on Freedom Line along	Today 0		you head to be careful also
			10415 8		attrage bringh
	0.0	Panel State State State and Advance D	The other the state and		The for Darriels 1 10 per
Parties Diff. Longer Tax	na horna	State in the second state			Nones Tranced under the 1
		second sector and second			Tran McTarlaine, 1 of pro
evidencervi27th and		The state of the s			anote how her almost

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



Watch the Video

Alert

8:34 AM NFP Right in Line With Forecast; Some Selling

MBS Morning

11:30 AM Jobs Report Not Bad Enough to Justify The Lead-Off

Alert

12:14 PM Steady Losses; New Lows

3:23 PM

Econ Data / Events

- • Nonfarm Payrolls
 - 139k vs 130k f'cast, 147k prev
 - Unemployment Rate
 - 4.2 vs 4.2 f'cast/prev

Market Movement Recap

- 08:44 AM Weaker after NFP. MBS down 6 ticks (.19) and 10yr up 5.7bps at 4.453
- 12:14 PM weakest levels of the day with MBS down a total of 11 ticks (.34) and 10yr yields up 9.1bps at 4.486.
- 03:55 PM Slow, steady selling trend continues (maybe leveling off now) with MBS down 13 ticks (.41) and 10yr up 11.1bps at 4.505

Lock / Float Considerations

Friday's jobs report reset the board to some extent when it comes to short term lock/float considerations. There was asymmetric risk up until then, and more balanced risk moving forward. The upcoming data is not as meaty, so we could see more of a willingness to react to fiscal headlines.

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

MBS

30YR UMBS 5.5 30YR UMBS 6.0 30YR GNMA 5.5 15YR UMBS-15 5.0

US Treasuries				
10 YR	4.508%	+0.113%		
2 YR	4.031%	+0.111%		
30 YR	4.962%	+0.090%		
5 YR	4.123%	+0.125%		

Open Dashboard

Share This