# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Perfectly Logical Reaction to On-Target Data



Lance Levin JFQ Lending JFQlending.com P:4806660245 M:4807720003

### 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.

	MBSLIVE	🛄 * 10.0 * 100.1 * 10.1 * 🛄 0.044	
ter(micros) e o	THEAL THE CHART HAINS	0.0 REAL TIME CHART (KR)	MOS LIVE OWN
- 10 VI	STREET ALL THE STREET AND A	to hear Teaching * Price office unter	COLUMN STAR
Pros 8 Tion 127 -	106.75 (0.00) (met price) - martine	4.8279 (-0.0010) Line Line Line Line Line Line	Env Out Twe
Red 10 Year / Feet	Annual IN THE THE NEW YOR THE THE	Annual Control and State State State State State State	The bar Darren, 1
10 10 10 10 10		10.14	
			Andy Paris, dog to 2 and
43 10.73 -0.00 AM		A the local and	Aus State Bank
38 10.00 10.00		Open 1/404	And Park for the page
35 10.46-120 425	I had been a second and the second	ALL AND	Tant stocks playing a role to
		And the second s	an terne appie beat at sam
No. No. Alt			
C35 1026-112 816			Christopher Environ + + + +
C48 10.79 -0.00 400		HALL HALL HALL	Christianer Verenne - 17 -
	the state of the s		Bathen Gobert 1 1 m
artes Pace Yest	Also Also	Contract of the owner own	Them for membered that a k
100,2109 (-0.000) 0.5150 (-0.000)	And and a subscription of the local division	24	Buthes Galant
1003070 (-11100) - 0.0723 (-1007)	CLIME MOWS STREAM	COLUMN PORT PAGE 00	💐 102 hi a be arb byge ba
NUMBER OF STREET, STRE	ALTER AND ADDRESS AND ADDRESS	a best	Collect Designed, 1 in an
A MARKED AND A MARK TARTS	Million and States Consider Advantation	Del a tender per sever a reprist? Read Repta 1	The Darrah, 111 and
100 MP3 (11011) 2 4010 (1000)	Annual Present a Line	Tanka Surray	The site just has to need the in measured to value Carner
	The COT's Dominant Days Tanas will Campa Take Allowed Agend	And And And And	ancesed 10% of the follow mark
ne prine provinsi n perfecuity all'Unimena lindera Neve le: Tata 🌒 Real Parle 🔕	Conc. 4 10m CTVPDs Contrag on Financial Education	Testay 6 7 View Q	Well Hardpere 111
MECOLINIAN D	O Description of the second se	and set that a state of the set o	The Darker Darker 110 and
	THE R PROPERTY AND A 12		There is no monitories or moni- horses transmission and a U
Normal Transmiss Training South State	A Representation of the second s	VIDEO	The Bran McCarlone 1 of pro
	NEST COLLEGE COLLEGE	the links banks banks in	A Section in success
Record and a second sec	and the second sec	334 pm MB MMM Tel Rood	
		3.27 pm Anne Parat Mantes Indeed dank	TERMONAL PROPERTY AND
Design and the Design of the Advances of the A		115 pm Surbut mills John Steaded	Bull Van Gebert 111
Logend ( Andrea ) Makings ( Makings	and the second state	252 pm Beams Million relations p	The first shares
	Contract (Contraction Contraction		

© 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
  - o **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	
4.508%	+0.113%
4.031%	+0.111%
4.962%	+0.090%
4.123%	+0.125%
	4.508% 4.031% 4.962%

**Open Dashboard** 

Share This