# MBS & TREASURY MARKETS

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MBS Recap: Gentle Rally Gently Reverses After Trade Headlines



#### Chris Munson

SVP and Managing Director US Sales and Operations, The Money House

P: (678) 459-2252 M: (704) 957-5053

8751 Commodity Circle Ste 17 Orlando FI 32819





# Gentle Rally Gently Reverses After Trade Headlines

MBS Recap Matthew Graham | 3:55 PM

First thing's first: bonds closed in stronger territory and retained most of the gains that were present in the AM hours. But they would have done just a bit better if not for a handful of newswires that hit around 2:30pm ET regarding vaguely positive comments on US/China trade talks (i.e. BESSENT ON US-CHINA TALKS: 'GOOD MEETING'). This preceded a move up to 4.487 from 4.470 in 10yr yields--barely worth mentioning in the bigger picture, and only mentioned here to reinforce the market's willingness to react to trade-related headlines and because US/China talks will be continuing on Tuesday.





Watch the Video

#### **MBS Morning**

10:12 AM Shifting Gears After Friday's Volatility

3:43 PM

#### Market Movement Recap

09:53 AM

Sideways overnight and inching into positive territory after 9:30am NYSE open. MBS up 3 ticks (.09) and 10yr down 1.3bps

#### **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.
- Slow, steady gains so far. MBS up 6 ticks (.19) and 10yr down 3.3bps at 4.475
- Weaker since 2:30pm, but still stronger on the day. MBS up 5 ticks (.16) and 10yr down 2.1bps at 4.487

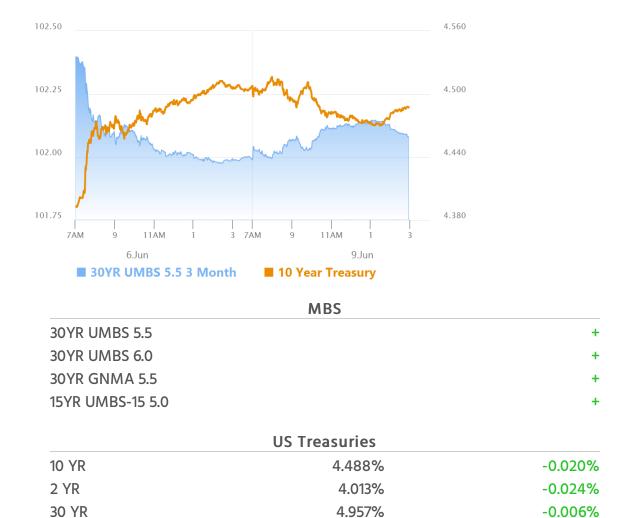
### Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - o 4.64
  - 0 4.48
- Floor/Resistance
  - 0 3.99
  - 0 4.05
  - 0 4.12

- o 4.19
- o 4.34
- 0 4.40

## **MBS & Treasury Markets**

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