MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: No Drama Today. How About Tomorrow?



Paul E Smith Owner, Main Street Mortgage Company

www.texasmainstreet.com P: (713) 528-1245 M: (713) 480-7385

3100 Richmond Ave Houston TX 77098 MSMC NMLS 296814 Paul E Smith NMLS 193580



No Drama Today. How About Tomorrow?

MBS Recap Matthew Graham | 3:49 PM

After a slightly bumpy start for reasons that remain unknown, the bond market settled into an uneventful sideways grind that lasted through the 3pm CME close. Both MBS and Treasuries were effectively unchanged and the latter didn't give a second thought to a fairly weak 3yr Treasury auction. Trade headlines were less than meaty, but talks between the US and China are now said to potentially move into a 3rd day. That means tomorrow's calendar will be shared between trade-related headlines, a 10yr Treasury auction (more relevant than the 3yr) and CPI data. As far as this week is concerned, this is as action-packed as we've seen the calendar, although that's not saying too much given prevailing sentiment toward inflation data. Specifically, the market cares more about how it looks several months from now. It's not that it can't have an impact, but it would likely be dulled by the caveats.

			MMBS	LIVE	10 ·					
Inc Hock	9	0.0	BEAL THE CHART MANE	0.0	REAL THE OW	NT (K)			1000000000	MESLIVE OWN
10.18			DETRIMAND T	PROF 1993 LTM HERE 198,75 198,77 198,75 198,88	10 Year Treas	- T				COLOR OF MAN
	Pro	No-Change Britisher Litt •	106.75 (0.00)	CHARLOW THE PARTY AND A	1.8270 (-0.0010)		LOW LOW LOW LOW		Ser Outree	
Not 30 Year / Fee		June Care M THE THE THE THE THE THE THE		1 1 1 1 1 1	Doors Days Mr. THE THE THE NEW THE THE				The second second second second	
					and the second second					
										And Party Party (P. 1.1)
	10675-680					1		10 Feat Treas		Constant Darak a logo
in 10 Year -			1.1.1	104.04		2.4	- A.S.	1,00,05.02.3	PH 40.	Send and the Rey play?
18	10.05		11.105	•	11 15 17		~			And And Parts All Links
15	10144-030		I MARINE IN THE OWNER	THE REPORT OF A	12.31			High: 127623	100	Taxe stocks playing a role to
	10720-1111					1.1		Open 1 7944		an tare appendent of the
No. of Conc.									<u> </u>	
				A DESCRIPTION OF THE OWNER.		_		1		Christopher Erresest + 17 -
	NOADE -LTN							- Name		A C B HEY DOOR B THE

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



Watch the Video

Alert

10:41 AM MBS Down an Eighth From AM Highs

MBS Morning

10:46 AM Bumpy Start; No Data; Waiting on Auction and Trade Headlines

3:49 PM

Market Movement Recap

- 09:35 AM Modestly stronger overnight and little-changed so far. MBS up 1 tick (0.03) and 10yr down 2.1bps at 4.454
- 01:08 PM No reaction to 3yr auction. MBS down 1 tick (0.03) and 10yr unchanged at 4.474
- 03:09 PM Stocks rise on trade talk comments, but bonds mostly holding. 10yr unchanged at 4.474 and MBS down 1 tick (0.03).

Lock / Float Considerations

Wednesday brings the confluence of CPI data, the 10yr auction, and another day of trade talks. After a calm start to the week, it's not hard to entertain the possibility that these events could add up to more volatility for rates. We continue to view inflation data as having a bit of an asymmetric risk where a higher number could hurt more than a lower number could help assuming they're equidistant from the consensus.

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	4.467%	-0.007%				
2 YR	4.011%	+0.007%				
30 YR	4.930%	-0.012%				
5 YR	4.081%	+0.004%				



Share This