MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: No Drama Today. How About Tomorrow?



David Wiest MLO, US Bank P: (916) 955-7664 M: (916) 955-7664 1400 Rocky Ridge Dr Roseville CA 95661 561109

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.

			MABSLIVE	🖬 * 100.5 * 100.5 * 🔛 0.008	
100(110	016	0.0	REAL THE CHART MANS	0.0 REALTINE CHART (40)	MES LIVE OWN
11.18			SETTI FINAL & B	to final Tensing * Peter offen alle min	COTON OF THE
	Pro	No-Charge	106.75 (0.00) Creat product - BOACT OF	1.8270 (-0.0010) Low Core Core	Ger Outree
But 18 Year			Just Carl M THE THE DIST NOT THE THE	A THE	
38 -	100 14 100		Long Cont and the long has the long	10.14	Tay still closed much lower
					Andy Paula, dr., 1, 2 and
				18 feet feeting	
ales 30 Tes				THE R. LEWIS CO. NO. OF CO. NO. O	Any State Party State
		1994		Contraction of the local data	Anty Party, AUX Mark
	10144-0.00			NAME AND	21 Find shots playing a rule to
				Bar Die Chief Chie	The tax Barrier apple boat or ear
We Street I've the					Christopher Einversel + 17
					ar way down to 1.82
				MANY IN CASE	Christianer Sevense 417 -
					The first harbor being 1.87 for
			In the second		Butthere Grahami in 14 pm
atten -			A March 19 Aug	a star i was to the star	10 visite
			And and a second se	1. P.M.	Batthew Graham In pro-
			LIVE NEWS STREAM		💐 102 tú a Be arly logge Ba
			And a second test and	Ghest DERRICOLD PROTS 00	Gilari Dentarik 150 pr.
			MILLION AND N	Del a tender per neve a repter? Realfactor	an here appelieves to t
		14219 (11010)	WES Recap Devid Markets Consoliders Alver 14/2000	Report and an in the instruction	The site particular in mean the
	THE MERSION DISTORTS	24040 0000000			

© 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

-	0	3.99
	0	4.05
	0	4.12
	0	4.19

- **4.34**
- · 4.40





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%

4.011%	+0.007%
4.930%	-0.012%
4.081%	+0.004%
	4.930%

Open Dashboard

Share This