MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: No Drama Today. How About Tomorrow?



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

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.

	MMBSLIVE	10 HAR - HALL - MILLION -	
	intvib betve		
	REAL TIME CHART MAINS	0.0 REAL TIME CHART (K)	MES LIVE OWN
15.18	DETERMINANT TO THE STORE STORE		COLUMN STATE
	106.75 (0.00) tech tech tech	1 1270 (-0.0040)	Ger Out they
Pros Experience -			And a state
Res 30 Year - Fail	Just Carl 24 29 29 29 29 29 29 29	Look Out M THE SHE SHE THE THE THE	Two all closed much lower
11 NO.08 -1 11 NO.			
10 10173-010 410		The second secon	21 AN IN
for 10 Tage of an		100/01 10 X0M	Area State and the beg play?
3.8 165.05 1 16		Que: 1.781	And And Table At Lines
15 10544-030 605	I MARINE I TANK I TANK	10.14 Mar 1941	Tant stocht glieging a mit b
48 99729-010 4912		No. 1 P. Contraction of the local states of th	State Date: 100 and
Read of Taxas and the second second			ge figure, apple beal of ear
		the second se	Christopher Enverse
55 NO488 -111 8 87		And the second s	
48	- 10		Christopher Ververmi 4 07
	the strends of a strend to the strends		Battlere Grubers 1 1 pr
the Page Val	Rea Line		iten fer mertored hafe
100,7109 (-0.0000) 0.0114 (-0.0001)	Line and the second sec		
100.0078 (-0.0100) 0.0720 (0.0027)	LINE NOWS STREAM		10 No. 10
NAMES OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTIONO	All and an available to the state	COSCI REPORT OF PRICE	G.O. Contract Designed, 110 per
100,010 110,020 110,000	and a second sec	Property American	are have noportievels for
	With Recard Freed Markets Consolders All and \$1000	Out a tender por sover a reprint? Reput Rep	
11210210 101010 2404 001000	and the second se		The site and has to mend the
an off a larger with 2 and 10 a 13130	The EGP's Derivate Days Tense Will Earling Takes And	Partie Formaty	exceed 10% of the loter man
	Can a time	Les los	The statement of the
nan ar faits 🛊 Anna Parta 🖓	CETTER Control on Financial Education	Teday 6 7 View Q	Transfer for start and a start
NECCE INCOL	Constanting of the second second	The second se	The second second second second
	THE R PROPERTY AND A	And the second s	There is no minimum or mp
Parties Teneral Talves Auros			Nones Branced under Breit
ay, January 27th and the Person	The state of the s		anyone from man accurate
	MEASURE ALL DESTRUCTIONS	targe Lander Deschot Reported by	· ·····
Contraction of the later of the		1 Joseph Will Minister Tel Road	
Dealers in Amperidant did that did its		3.31 pm New Parts Martin Indeed clark	ALC INC. Non Party 197
		115-pm Surbuil Walter Ante Sheaded	Bull New Gallery 1 17
Deale point to 0 14 63 68 2		115pm Runtin Willie John Deadel	Tel, Tel, Tel etc.1
	and the Control of Federal Contr	232pm Deams Mode Interfaces	The second secon

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

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
 - o **3.99**
 - ° 4.05
 - **4.12**
 - **4.19**
 - **4.34**

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%