Daily Coverage. Industry Leading Perspective.

## MBS Recap: Not Reading Too Much Into Friday's Weakness



Eleanor Thorne Team Leader, Advantage Lending https://NCFHAExpert.com

P: (919) 649-5058 M: (919) 649-5057

7521-101 Mourning Dove Road Raleigh NC 27615 Eleanor Thorne NMLS 67179 https://advantagelending.com/morloan-officer



# Not Reading Too Much Into Friday's Weakness

MBS Recap Matthew Graham | 3:31 PM

At first glance, with only one report on the calendar, it's only logical to give Consumer Sentiment credit for sparking today's bond market selling spree. Closer inspection adds nuance. First off, selling began in earnest at 8:20am--the unofficial opening bell for bond market trading and a time of day where inclined sellers/buyers are often lined up and waiting to trade accordingly. Then there's the fact that the post-data selling didn't begin until 6 minutes after the data--an odd eventuality given the tendency for reactions to be perfectly immediate. Last but not least, we can entertain several reasons that traders might be interested in moving to the sidelines ahead of next week's potential geopolitical developments and Fed announcement.

			MMBS	SLIVE	101 ·				an and a second	
INC FROM	78G	0.0	BEAL THE CHART MANE		0 O REAL TIME CO	anki (sili)				MES LIVE OWNT
12.18			DOTE FORMAGE IN	PROD 10705 LOW MORE \$96,75 \$96,77 \$96,05 \$96,08	10 Year Treat	wy *				COTON OF MAN
		A TOAM OF .	106.75 (0.00)	CHART OFTICAL + DELECT CHART	1.8270 (*				anne Inner orthoni e - se	
Red 10 Year			Junction 10 102110	1001100110011001	Anna Card	-	-	101		The second second second second
	NO 18 LT	1000			H					
	10108-0101									Andy Parls, dog to 1 and
						<b>1</b>		10 Name Treasure		Constant Parente 1 march
ee 30 Toer		144	li n life	114			- m-	Open: 1,7636	- A	and the define start
1.0	10.01							High: 1.7%[1		Tanta starte playing a min for
15	105.44.10.00		HERE L		- I A M	111			1 A V	
			1 Y 9 Y							The for the state of the second secon
Red Dil Tree	10000-000							1		Christopher Kinnensi + 17 -
:50								1 A A		The servery close to 1.82
35	NOATE CO.							ALC: N		Christianer Merener, 117 -

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



Watch the Video

#### **MBS Morning**

9:53 AM Opening Weaker Despite Israel/Iran Headlines

#### Alert

10:32 AM Additional Weakness After Sentiment Data

Aler	t					
1:37 PM	Weal	kest Levels;	Ongoing Re	eprice Risk		
3:21 PM						

#### Econ Data / Events

- • Core MM PPI
  - 0.1 vs 0.3 f'cast, -0.2 prev
  - Core YY PPI
    - 3.0 vs 3.1 f'cast, 3.2 prev
  - Monthly Headline PPI
    - 0.1 vs 0.2 f'cast, -0.2 prev
  - Jobless Claims
    - 248k cs 240k fcast, 248k prev
  - Continued Claims
    - 1956k vs 1910k f'cast, 1902k prev

#### Market Movement Recap

09:09 AM Roughly unchanged overnight and losing ground early. MBS down just over an eighth and 10yr up 2.3bps at 4.387

### 11:33 AM steady selling all morning. MBS down 10 ticks (.31) and 10yr up 6.2bps at 4.425

- 01:37 PM 10yr yields are now up 8bps on the day at 4.443 and MBS are down nearly 3/8ths of a point
- 03:24 PM Worst seems to be over for selling. Still weaker though with MBS down 9 ticks (.28) and 10yr up 5.2bps at 4.416

#### Lock / Float Considerations

The week ended with a token pull-back after a strong mid-week rally. Monday morning is anyone's guess given the geopolitical volatility. Friday's selling restores better balance between risk and reward, but potential volatility is higher than normal.

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

	MBS	
30YR UMBS 5.5		
30YR UMBS 6.0		
30YR GNMA 5.5		
15YR UMBS-15 5.0		
	US Treasuries	
10 YR	US Treasuries 4.415%	+0.051%
10 YR 2 YR		+0.051% +0.043%
	4.415%	

**Open Dashboard** 

Share This