Daily Coverage. Industry Leading Perspective.

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



Nicole Rueth SVP, Movement Mortgage www.TheRuethTeam.com P: (303) 214-6393 M: (303) 808-2300

750 W Hampden Ave #500 Englewood Colorado 80110 239840



# 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.

			MMBSLIVE		III - 10.0 +			GLOW STOP	
THE PROP	<b>4</b> 5	0.0	NEAL THE CHART MAN	00 H.	LINE CHARLEND				MUS LIVE OWAT
11.18	Pro-	and the same		27 10625 106.88	8270 (-0.0010)		tion the	ete UKSH Deart prised a 1 m	Direction Direction
Nam 10 Your 10	NEM COL	tan Mil	Anna Care M THE THE DIS NOT THE TOP IN	e	method IN THE THE	-	1941		Exclusion Exception in the second second in the second sec
35 43 84 (0 Tear	100.00 -0.00				1.	as	18 Fear Dears		Participante and
38 15	10.05 C (0)		him in	Ange and		r	Open: 1,7630 High: 1,7623 Low: 1,7938	N	Anty Parts, Art & Start
Real Distance							Quar. 1 2814		an figure, apple bear or ears
				CONCERNING IN CONCERNING			2. 1	61	Christopher Errones: + 17 -
			T TOP	No. of Lot of Lo			Contraction of the second	8	Christiania Serveral 117
							1.00		The loss has been being 1.82 for
			In the second	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					Buttley Grahami + H.p.
fies .			A.4	5.0m	A DECK				10 state for membered but a la fibre state.
	10000191101000	8558 - 1985 8872 (1985) 1988 (1986)	LIVE NEWS STREAM	41-1 Test				P.m. 6.0	Buthew Graham + 1 an 182 Ni a Re arty legge Raf
	VED COMPANY OF CALL		Million Land		Out a lander and make	a reprise?		of Party I	an here appel each to b

© 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

Alert			
1:37 PM	Wea	akest Levels; Ongoing Reprice 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 f'cast, 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

#### 30YR UMBS 5.5

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

30YR UMBS 6.0 30YR GNMA 5.5 15YR UMBS-15 5.0

US Treasuries						
10 YR	4.415%	+0.051%				
2 YR	3.953%	+0.043%				
30 YR	4.909%	+0.063%				
5 YR	4.013%	+0.043%				

**Open Dashboard** 

Share This