Daily Coverage. Industry Leading Perspective.

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



Jim Spinner Home Buying Concierge, US Wide Financial LLC P: (314) 495-3941 2200 Westport Plaza Dr St. Louis Mo 63146 NMLS: 410323 NPN 12396063



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	M • •		GLOWN SCOOL	
Int Proce	4	0.0	NEAL TIME CHART (MAIN)	0.0 HEALTHE OWNER	ap.		MES LIVE OWN
10.18				10 Test Transvy	· Peter Differ Liber		COLOR OF SHE
	Pro	No-Charge	106.75 (0.00) 106.75 106.75 106.05 106.05 106.05		1.8270 (40.0010) Line Care Care		GRA DATIVA
No. 10 Year		tan.	Annual and the first that the training		and the summer of the second		The last factory of the second
1.0	NO IN COLUMN		Construct on the last and and the last	Date Chart 20	HE THE DRIVEN WE THAT THAT		Two off closed much lower 1
8.8	10108-0101						And Parks, Aug. 1 / 11
10	10675-680				10 Fear Sea		CO este beste i sur
the 10 Year -			1.1.1	11.11	100/05101		Seine and the first pray?
		1944	1146		Open 12810		Anty Parts, AULLINS
	10144-030			Prat HAN 2 1	1-1100		221 Fare stocks playing a nim ber
			1 II 1 10 10 10 10 10 10 10 10 10 10 10 10 1		One 128		The barrier of the second seco
Red Do Team							Christepher Kinnensi, 1 17 or
130	NO 36 -0.10					1	or way close to 1.82
				And a local division of the local division o	140 S		Christigher Viewensi 11/1
							The ball of both the ball of the ball
				A COLUMN TWO IS NOT			Butthere Grahami a 10 per
ries .		THE		1.0m	the state of the		Topy parties.
			CANE MEN'S STREAM				Wathew Graham: + 11 pm
				Total arrest	INNES	00	10 hi a be arts toppe had
	NAMES AND ADDRESS OF	10001110001	COLUMN AND DESIGNED AND	A Page of Low A		00	Callment Developertit. 1 10 pro
	AND AND A REAL PROPERTY.	14210 11 1000	MALLING AND A	Did a landarge	Prove a reprice?	and factor in	Control Description of the local

© 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