# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

# MBS Recap: Token Weakness Without a Cause



Sandro Pansini Souza Branch Manager, Beyond Financing, Inc.

www.beyondfinancing.com M: (857) 615-0836 pansini@beyondfinancing.com

999 Broadway Saugus MA 01906 LOAN OFFICER NMLS#1625542 COMPANY NMLS#2394496



## Token Weakness Without a Cause

MBS Recap Matthew Graham | 4:14 PM

Sometimes bonds rally or sell-off for no apparent reason, or at least for no reason that can be easily proven. That's been the case on each of the past two sessions with 30yr yields moving almost 10bps higher between the two of them. Geopolitical motivations have been nonexistent despite some efforts to link oil price concerns to bond weakness (not a solid thesis right now). Fiscal concerns may be having some small effect behind the scenes, but they're hard to substantiate based on the available headlines. The easiest approach would be to continue to classify the market as rangebound, in which case a pull-back makes sense given the lower yields seen last Thursday--especially with bigger ticket data/events over the next two days.

			MMB	SLIVE		<b>H</b> = =0				a.cva.scos	
INC PROVID		0.0	REAL THE CHART MANE		0 0 (HAL)	ME CHART P	49			1000	MES LIVE OWN
10.18			DEVERTINALS *	PROF 10415 LON 00 104.75 104.77 104.75 10		- Thereby	*			wither .	COLUMN OF THE
	Pro	An Owner .	106.75 (0.00)	Crown periods - Selas		1.8270 (-0.0010)		LESS LESS CHER LESS CHARTERTENS		CONST. OFTIGALS IN	Ger Outries
Red 10 Year 1		-	Junction 24 THE THE	THE WAY THE THE WAY		Out 10 18		-	1941		They shall be and the set
15	10108-1111				10.14						Anty Paris, dr
ta (il Taur								A.4-	10 Fear Sear 1	10% A-	The set of
10	10.05	104	1.46	0			1.7		Open: 1,7434 High: 1,7421		Anty Party, August 1
	10144-010		MELLO, J	100 170 100	101.04	1	Th.		Low 1.7850	61	The state playing a role is
en Maria Inana -					100				Quar, 1,780	- P	pictur Darak,
					Contraction of the local division of the loc				1.0		Charlestander Kinnenni + 17

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



Watch the Video

#### **MBS Morning**

10:25 AM Slow Start Leaves Focus on The Next 2 Days

#### Alert

2:01 PM Down More Than an Eighth From Highs

4:04 PM

#### Econ Data / Events

• NY Fed Manufacturing
• -16.0 vs -5.5 f'cast, -9.20 prev

#### Market Movement Recap

- 09:48 AM Choppy and slightly weaker overnight, but sideways and holding ground since then. MBS down 2 ticks (.06) and 10yr up 2.4 bps at 4.426
- 01:47 PM After a decent rally into 10:30am, MBS are down an eighth from highs and 3 ticks (.09) on the day. 10yr up 4.6bps at 4.446
- 03:50 PM Heading out near weakest levels with MBS down an eighth on the day and 10yr yields up 5.3bps at 4.454

### Lock / Float Considerations

Bonds have done what they need to do in order to maintain the prevailing range. This reinforces just how challenging it will be for data to justify a meaningful rate rally (and that it will likely need to be employment data rather than persistently tame inflation). Bond weakness on Friday and Monday make for a more poutral approach to this weak's big ticket events, but these events are ponetholess capable.

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

of prompting a reaction in either direction.

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

US Treasuries						
10 YR	4.451%	+0.049%				
2 YR	3.968%	+0.018%				
30 YR	4.960%	+0.059%				
5 YR	4.033%	+0.028%				

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

**Open Dashboard** 

Share This