Daily Coverage. Industry Leading Perspective.

# MBS Recap: Dot Plot in Focus With Fed's "No Cut" Announcement



Slav Popach Mortgage Broker, Barrett Financial Group

M: (425) 772-1031 slav@barrettfinancial.com NMLS 1103975



# Dot Plot in Focus With Fed's "No Cut" Announcement

MBS Recap Matthew Graham | 4:31 PM

Bonds lost some ground after this morning's economic data, arguably in response to the Retail Sales control group beating its forecast. Higher-than-expected import prices could also have played a supporting role, but the selling was too modest to worry about perfectly allocating the blame. It was also erased by an afternoon rally that was best explained by general risk-off vibes surrounding geopolitical headlines. Here too, we're not seeing anything too compelling in terms of trading justification. The best bet on that front would be Wednesday's dot plot from the Fed (the chart showing each Fed member's rate outlook over the next few years). That will be released at 2pm with the "no cut" announcement.

n An an		and the second	
	MMBSLIVE	📧 * 100.0 * 100.0 * MILLON * 🔛 GLOW W	
THE PROVIS 0	D TREAL THE CHART MANE	REAL THE CHART (40)	MES LIVE OWAT
15.18	STORE PORCE ALL IN THE STORE AND ADDRESS AND ADDRESS A	10 Year Treasury * Proc. once une was	COLOR OF MAR
Pros EXTABLEST	106.75 (0.00) tot./s tot./s tot./s tot./s	1.8270 (-0.0010) Librar Carro Child Carro	DRIF Out The
Ref 18 Year / /u		Trees Court Mr THE THE THE THE THE THE	The second second second
LE NE SE LE NE	Treast Chart 28 (38) 380 380 390 390 390 390	Developed 12 DECEMBER BRITEITE	they still closed much lower
15 10108-110 EUX			And Parks, Aug. 1. 1 and
KB 10675-630 430		18 feet feering	
Real (8 Team - Free	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	A A A A A A A A A A A A A A A A A A A	and the fight of the play?
		Contraction Section	Anty Party Act + 1 per
35 10544-030 405		CALL NO. GALLING	201 Find shorts playing a rule 1
		Gui, 1288	The Star Start and Start a
Rec 30 Tree 2110 For			Inter Contractory Discourses
550 NO26-110 816			ar very close to 1 82
10 10 10 10 10 10 10		NGV	Christianer Sevens: 117
			The ballet bere the ball
the Page Net	And the state of t		Rethree Grohami II is an item he methoded haf a the setter
100,7109 (-0.0000) 0.5114 (-0.000		a star a star a star a	
	LIVE NON'S STREAM		Hatthew Grahami in the arts legge hat
	Allow And and particulary lines and allower filters	INCLUSION PROCESSOR OF	Callert Demands 1 10 pr.
	MILLION AND MILLION	Def a lender and sour a reprise?	are have appellinged for
<ul> <li>NUMBER OF STREET AND DESCRIPTION</li> </ul>	WED Recipt David Warkets Canadidate Annual BUCOAC	Read Report of the second of t	The site bareful to an interest the
12405 (1101) 2404 (010)	Annual Tax Date in a 1774	Taxana B company	is measured to value Gere
	The ECE's Denotes Trees Will Europe Takes All Section 4.12	100 BOX	exceed 10% of the total mar
ne prine providel in perineral y olit Thomas Baulan. Rea ar Tata 🛊 Rea Parts 🌢	Contractional COTTON Conduction Environmental Educations	Teday 6 7 View Q	The first pro-
NECCE PROM	C. C. Sand Street of Concession, Street Stre		The Party Party Inc.

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



Watch the Video

#### Update

8:34 AM Retail Sales Mixed; Import Prices Lower

Update

8:42 AM CORRECTION: Import Prices Flat (Not Lower)

#### **MBS Morning**

10:53 AM Econ Data Not Weak Enough to Help

3:56 PM

## Econ Data / Events

- • Retail Sales
  - -0.3 vs 0.1 f'cast, 0.0 prev
  - Core Retail Sales
    - 0.4 vs 0.3 f'cast, -0.1 prev
  - Export Prices
    - -0.9 vs -0.7 f'cast, 0.1 prev
  - Import Prices
    - 0.0 vs -0.2 f'cast, 0.1 prev

### Market Movement Recap

- 09:09 AM Stronger overnight, flat after data, and losing some ground now. MBS still an eighth higher on the day and 10yr down 3.5bps at 4.417
- 01:53 PM Best levels of the day now on Middle East newswires. MBS up 5 ticks (.16) and 10yr down 6.5bps at 4.386

Lock / Float Considerations

<sup>-</sup> 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 neutral approach to this week's big ticket events, but those events are nonetheless capable 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
  - o **3.99**
  - ° 4.05
  - **4.12**
  - **4.19**
  - **4.34**
  - **4.40**



### **MBS & Treasury Markets**



30YR UMBS 5.5		+
30YR UMBS 6.0		+
30YR GNMA 5.5		+
15YR UMBS-15 5.0		+
	US Treasuries	
10 YR	4.389%	-0.062%

2 YR	3.947%	-0.028%
30 YR	4.894%	-0.082%
5 YR	3.985%	-0.055%

Open Dashboard

Share This