# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Fed Threads Needle of Apathy



James Cheeley Founding Partner/Sr. Mortgage Advisor, Lincoln Capital Advisors

www.lincolncapitaladvisors.com P: (678) 824-6563 M: (678) 824-6563

Trusted Mortgage Advisors 118012



### Fed Threads Needle of Apathy

MBS Recap Matthew Graham | 4:56 PM

Today marked one of only 4 days of the year with an updated Fed dot plot. When it came out, there was a fairly pitiful volume response relative to other dot plot days and an even more underwhelming level of volatility in the bond market. It wasn't until almost 45 minutes later that bonds showed actual signs of life in response to Fed Chair Powell saying flat-out that they'll be able to make a better decision if they wait a couple of months. But even after that modest bounce in bond yields, we were just barely getting back to unchanged levels on the day. Bottom line, the Fed easily threaded the needle of bond market apathy--not too surprising given that it's a wide eye at the moment, but definitely not a given on dot plot day.

			MBSLIVE	🛄 * 100.0 * 100.5 * 🔛 GLOAD SI	
THE PACHS 0.0		0.0	REAL THE CHART BANK	0.0 REAL THE CHART (R)	MES LIVE OWN
15.18			STORE FORMAND * PROF SPACE LINE MAN	the financial of the second second second	COLOR OF MAR
	Pro	A TOAM LOT	106.75 (0.00) (million of the state of the s	1.8270 (-0.0010) Line Line Line Line Line Line Line Line	Ger Outree
-	- 1 m		June Charl 24 THE THE THE WAY THE THE	Description of the test test test test	the log Darak, a re-
	NO M LET		Allow that the long time part and tracition 11	These Court and The	They still closed much lower
5.5	10108-0101				And Parks (P. 17 11
	10675-680			18 feet Second	The state banks to an
the 10 Te				and the subject of the second	and some die Res play?
		1994		Cherry Control of Cont	And And Parks, All Column
	10144-0.00			CH A TANK TANK TANK	There should playing a role to
•				on the	an the second se
Ref 2017					Christopher Kinnensi, 117
					ar way close to 1.82
					Contraction for several (11)
			and the state of the	A MARKET AND A MARKET	The loss has been being 1.87 for
			the state of the s		Butters Graham ( 1 11 pr.
ries -			Res Plan		Item for methoded that all four webla.
	100,2109 (14,0000)		NAME AND ADDRESS OF TAXABLE PARTY.	2.	Ballers Costan +
			SINE NON'S STREAM		107 til in Be arty begin Ba
			All and an applied the Area of	Inext USEX REPORT PROCE 0.0	Callant Denisardi 1 11 pr.
			The second se	Det a lander per soure a reprice?	an here appelieves to b
		LADIN LABOR	MELLINE AND A COMPANY OF A COMPANY OF A COMPANY	Did a level of the state of the	White Darks the sec



Watch the Video

### **MBS Morning**

10:47 AM Once Again: Today is Not About a Fed Rate Cut

### Commentary

2:00 PM Here's What Changed in The New Fed Announcement

### Update

2:04 PM Mixed Reaction so Far to Mixed Dot Plot

### Alert

2:53 PM Weakest Post-Fed Levels

## 3:01 PM A Bit Weaker Now (And Possible Reprice Risk)

4:43 PM

### Econ Data / Events

- • Jobless Claims
  - 245k vs 245k f'cast, 250k prev
  - Continued Claims
    - 1945k vs 1940k f'cast, 1951k prev
  - Building Permits
    - 1.393m vs 1.430m f'cast
  - Housing Starts
    - 1.256m vs 1.36m f'cast

### Market Movement Recap

09:28 AM Modestly stronger overnight and little-changed after econ data. MBS up 2 ticks (.06) and 10yr down 1.8bps at 4.366

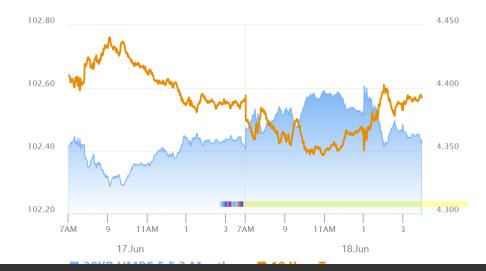
- 11:21 AM Slightly friendly lead-off ahead of Fed. MBS up 6 ticks (.19) and 10yr down 3.3bps at 4.351
- 02:15 PM Almost no reaction to Fed so far. MBS up an eighth and 10yr down 1.5bps at 4.369
- O3:22 PM A bit of weakness during press conference, but leveling off now. MBS still up 1 tick (.03) and 10yr up less than 1bp at 4.386

### Lock / Float Considerations

Fed day was the apex of calendar event risk for rates this week. Bonds are closed on Thursday, and Friday will be a low volume, illiquid wild card of a day. Risk/reward is fairly well balanced here as Treasuries, MBS, and mortgage rates all remain rangebound until they're not anymore.

### 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.

<b>30Y</b>	K OMR2	5.5 3 IV	lonth
		0.00 0 10	I WII WII

10 Year Treasury

MBS

+

US Treasuries					
4.391%	+0.007%				
3.941%	-0.012%				
4.893%	+0.003%				
3.990%	-0.001%				
	4.391% 3.941% 4.893%				

**Open Dashboard** 

Share This