MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Fed Threads Needle of Apathy



Chip Harris President, Integrity Financial LLC M: (720) 323-3392

50 Spinning Leaf Trl Silverthorne CO 80498 Personal NMLS # 196231 Integrity NMLS #222260



INTEGRITY FINANCIAL

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.

	a geotopen a			· · · · · · · · · · · · · · · · · · ·		
			MMBSLIVE		MITTINGS * GLINN SETTIN *	
THE PRO	28 0	0.0	TREAL THE CHART MANE	0 0 REAL THE CHART (40)	MUSLINE OWNT	
11.18					over the star	
		No-Dente RYSAM (ST -	106.75 (0.00) Creat prices		COURT DITIONS IN 1911	
Not 18 Year' / Fait			June Care 24 TRATING THAT THAT THAT THAT	Josep Chart Mr THE THE NET WELT	The last we have been been been been been been been be	
	NO 18 LET	150		UR IN	And Subscription	
	10108-0101				Add and	
			•		10 Food Descently	
New (C. Tana Citi		144		1111 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Constant Party in the second s	
38	10.01				High 12911 Rent Parts diates and a	
	10000-000				Low 17000	
and the local division of the local division					Cons. 12000	
0.3.0	10.00				Christopher Keysen + 17	
635	NUMBER OF COMMON				To we down 182	
048	100.70 -0.00				MUP IN Christianer University of the Back South States 1.12 bits	
Sele 107 KTR MPH TR7			the first have been a second s		Butters Grubert i hi en	
-	Para	No.	Aller Star		Them he methoded but a	
			Line and the second sec		Film in the last in the parts	
	100.0078 1-010100	04720 102007	LIVE NOWS STREAM	and the second se	17 Aust	
	NOT DESCRIPTION.	10000 (10000)	States and second and	And Gant OSCINETONIC PROCES	Q Q ELECTRONIC I V	
				Della intelectione moves a montant	an hen sepat web let	
			With Restar Fred Markets Considers Advantation	ACCORDING TO A DESCRIPTION OF THE DESCRIPTION OF TH		
	112 8875 1 1 1 1 1 1		Annual Tea sease at 1274	Taxan Burney	The site put has to meet the in measured by value Carry	
AN ADVANCED 24 M NOV 13130			The COT's Distriction Dogs Tames will Europe Takes 70	and the second	exceed 50% of the fold that	
			Con a line	Later Born	The second secon	

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



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

Alert

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

<u>11·21 AM</u>

- 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.

	MBS					
30YR UMBS 5.5						
30YR UMBS 6.0		+				
30YR GNMA 5.5						
15YR UMBS-15 5.0						
	US Treasuries					
10 YR	4.391%	+0.007%				
2 YR	3.941%	-0.012%				
30 YR	4.893%	+0.003%				
5 YR	3.990%	-0.001%				

Open Dashboard

Share This