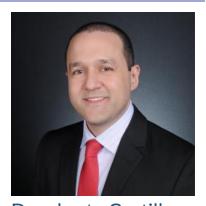
MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Fed Threads Needle of Apathy



Dagoberto Castillo Broker Owner, Obtain A Mortgage, LLC ObtainAmortgage.com M: (954) 271-2995 3750 NW 87th Ave. Suite 700 Doral FL33178 Dagoberto Castillo - NMLS# 385009 Obtain A Mortgage, LLC - NMLS# 2636344



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.





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

Aleri

2:53 PM Weakest Post-Fed Levels

Aler

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

4:43 PM

Econ Data / Events

- O 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	
03:22 PM	A bit of weakness during press conference, but leveling off now. MBS still up 1 tick (.03) and	

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")

10yr up less than 1bp at 4.386

- o 4.64
- 0 4.48
- Floor/Resistance
 - 0 3.99
 - 0 4.05
 - o 4.12
 - o 4.19
 - o 4.34
 - 4.40

MBS & Treasury Markets



■ 30YR UMBS 5.5 3 Month	■ 10 Year Treasury	
	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%

18.Jun

Open Dashboard

Share This

17.Jun