MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Steady Gains in the PM Hours



Yesenia Ruvalcaba-Garcia

Mortgage Broker, Elite Fundings

www.NewcenturyBroker.com M: (626) 252-0839 newcenturybroker@gmail.com

550 E Badillo St Covina CA 91723 NMLS: 255242 DRE:01293970



Steady Gains in the PM Hours

MBS Recap Matthew Graham | 4:44 PM

It's common to see the effects of month/quarter-end trading most prominently in the PM hours and today's quarter-end session was no exception. A glut of bond buying just after 12:30pm got the party started and yields bottomed out just before the 4pm NYSE close. While 4pm is a time that's associated with stocks, it has come to be the larger of the two closing bells for the bond market on month/quarter-end days for a variety of reasons (de-emphasis of CME pit over the years, increased prevalence of ETF trading, large portfolio rebalancing that involves both stock/bond ETFs, thus arguing for one unified closing mark time). From here, econ data should take the wheel although it's always possible to see some new-month positions have an impact on the first day of a new month.

et an an an							
			MMB	SLIVE	100 × 100 ×	1101.5 • 月 🖬 ол	
THE PROPERTY	6	0.0	HEAL THE CHART MANE	0.0	HEAL THE CHART (R)		MUS LIVE OVAT
12.18			STREEMAKE *		10 Year Dealory *		COLOR OTHER
	Pro-	And the Course	106.75 (0.00)	DW/S DW/F DW/S DW/H DWWF.000001+ DW/CFOWFF+	1,8270 (-0.0010)	LANK LANK LANK LANK	Ger Outree
Res 10 Year			Justician IN THE TWO	THE REPORT OF	Internet IN THE PAR	The second real real	The set for the set of the set
		101			THE PART OF THE PART OF		
							Andy Paulo, dog to 2 and
						10 Tear Dearry	Contra Danke Lings
fee 30 Year -			100	14.14		100/05 12 3094	Ar
		104	E 1 485			Open 1/494	AND AND PARA ACCOUNTS
	10144-030			THE REAL PROPERTY.		Night 17523	The set shorts playing a rule b
	10720-001		- U. Mar. (Anna 12000	The Star Particle of Star Star Star Star Star Star Star Star
Real Print						Contraction of the local division of the loc	
				Contraction of Contra			Christopher Enverse +17

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



Watch the Video

MBS Morning

10:14 AM Slow, Sideways Start, But Month-End Volatility Always a Possibility

3:41 PM

Econ Data / Events

Chicago PMI
40.4 vs 43.0 f'cast, 40.5 prev

Market Movement Recap

- 09:12 AM Modestly stronger overnight with gains at the start of EU trading. MBS up 2 ticks (.06) and 10yr down 1.7bps at 4.264
- 11:49 AM Very calm still. MBS up 1 tick (.03) and 10yr down 1.8bps at 4.263
- 01:28 PM Month-end buying picking up a bit. 10yr down 4.8bps at 4.234. MBS up an eighth.
- 04:33 PM Strong month-end move into the close. MBS up almost a quarter point and 10yr down 4.8bps at 4.233

Lock / Float Considerations

Bonds have shifted from range-bound to trending lower in yield this week. Data is only partly able to explain the shift. The rest requires things like friendlier Fed comments and even regulatory changes that allow banks to hold more Treasuries. Either way, weaker data (and the expectation of more to come) is likely part of the equation. That will be very important in the coming days and especially with the jobs report on Thursday. Next week's CPI is critically important as well.

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



mb5	
30YR UMBS 5.5	+
30YR UMBS 6.0	+
30YR GNMA 5.5	+
15YR UMBS-15 5.0	+

US Treasuries

10 YR	4.231%	-0.050%
2 YR	3.727%	-0.023%
30 YR	4.779%	-0.052%
5 YR	3.801%	-0.034%

Open Dashboard

Share This