# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

# MBS Recap: Traders Buy The Dip After AM Data



Dale R. Packer, MBA Owner/Broker, Great American Lending LLC

GreatAmericanLending.us M: (801) 391-6566 dale@greatamericanlending.us

875 S 600 W Heber City Utah 84032 MLO-4493 Company-201546



# Traders Buy The Dip After AM Data

MBS Recap Matthew Graham | 4:04 PM

After a bit of overnight strength and an early morning pull-back, bonds were right in line with yesterday afternoon's levels ahead of the 10am data. JOLTS (job openings) pushed yields back to yesterday's highs-perhaps with some help from the Senate's passage of the spending bill, but at that point, traders bought the dip in bond prices and pushed back into the day's range. It wasn't enough to get back to positive territory, but it made the day less of an obvious turning point in the bigger-picture. Perhaps a better way to say it would be that bonds still look open-minded when it comes to responding to Thursday's jobs report and next week's CPI.

(j		the Statebarr	Statistica Statistica (		-31			
		MMBS	SLIVE	00 -				
THE FROMS		REAL TIME CHART MANE		0 0 REAL THE ON	eki (ki)		1000000000	MES LIVE OWN
12.18		DEPERTONNAL #	PROF 10408 1018 1018	10 March Trees	wy •		÷.	COLOR OF MAN
	a 10-0-0-0	106.75 (0.00)	CHART OFFICIAL + DELECTO				acter Development in the	Gen Outries
the life from the second		Junction 10 102 102	1001100210021002	and and a	-	and the second second		The later farety and the
				10.14				Andy Paris, dr. 1
15 10108								And Table . A
					τ	18 Feat Treasure		the second second second
fee 30 floor inter-				ting at the second seco		And Address 1 / 100	· .	and some did they play?
			•	100		High 12471		And And Parks, All Column
15 10144				IN A V		Level 1,7958	144	27. Take studie playing a role to
48 10728		[ ] II		the second se			1.1	The for the state of the second secon
No. 20 Tear of the								Christopher Einversel 117
150 102,36						1 A A A A A A A A A A A A A A A A A A A	C1	ar way down in 182
35 104.88						CALC:		Christianer Versen: 117.
						1.1		The line his hold below 1.82 for
		the first of the later of the	terms in the later	198.70				Butthew Grahami ( 11 pro
des Ps			2 Aug	and the second second	and the second second			10 stan he mentored had a k for years.
		CLIVE NEWS STREAM			-			Bathers Graham + 11 am
				CONTRACT OF	OUT A PROPERTY		00	10 hi a be arts bage bat
101.0684		Statement and sections.	the second se	This teach [ [ [ [ [ [ [ [ [ [ [ [ [ [ [ [ [ [ [	and the second se			With Collect Deviced, 110 and

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



Watch the Video

#### Update

9:49 AM Giving Up Overnight Gains

#### **MBS Morning**

10:33 AM AM Data Possibly Arguing For a Bounce

12:01 PM Weakest Levels of The Day

3:26 PM

### Econ Data / Events

- S&P Manufacturing PMI 0 52.9 vs 52.0 f'cast, 52.0 prev
  - ISM Manufacturing
    - 49.0 vs 48.8 f'cast, 48.5 prev

#### ISM Employment

- 45.0 vs 47.0 f'cast, 46.8 prev
- ISM Prices
  - 69.7 vs 69 f'cast
- Job Openings
  - 7.769m vs 7.300m f'cast, 7.395m prev

### Market Movement Recap

- 10:34 AM slightly stronger overnight, but progressively weaker in the AM--especially after 10am econ data. MBS down 7 ticks (.22) and 10yr up 3.2bps at 4.256
- 12:01 PM 10yr yields are up 5bp at 4.273. MBS down a quarter point.

02:59 PM

## 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
  - o 3.99
  - · 4.05
  - · 4.12
  - **4.19**
  - **4.34**
  - ° 4.40





# 30YR UMBS 5.5

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

30YR GNMA 5.5 15YR UMBS-15 5.0

US Treasuries					
10 YR	4.247%	+0.022%			
2 YR	3.775%	+0.059%			
30 YR	4.770%	-0.005%			
5 YR	3.836%	+0.032%			

Open Dashboard

Share This