MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Traders Buy The Dip After AM Data



Mike David Producing Branch Manager, Oklahoma Mortgage Group www.OklahomaMortgageGroup.c

om P: (918) 361-1550 M: (918) 361-1550 mike@omghomeloans.com

6666 S Sheridan Rd Tulsa Oklahoma 74133 1619714



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.

			MMBSLIV	'∈	M. Hare	100.5 • MIINGS • 🔝 GLONES	
INC FROM	mi)	0.0	HEAL THE CHART MANE	0.0	HEAL THE OWNER (10)		MES LIVE OWN
12.18			DEVELOPMENT TO THE OWNER	19935 LOW MOR 108,77 108,75 108,44	10 Year Treasury Y		COLOR OF MAR
	Per .	No Change		VALUE OFTICALS BUILDING	1.8270 (-0.0010)	CON CON CASE CASE	Des Outron
Res 10 Year			June Dane Mr. Stat Stat State State	101100	Inclusion in the line	The New York The	They all donest much lower 1
		101					Anty Pala, Arr 1
							And an
						10 fear Tearry	Av. State Danke 1 man
fee (il Toer			101	104.00		100/1512.30%	Area Balline de Rey (19)
18	10.05		1.10	· · · · · · · · · · · · · · · · · · ·	LO.C.	Mark 129/1	Anty Parts, All Colors
	101.44 -0.00				10.11	Lew LTHOR	These starts playing a rule for
••						Conc. Content.	an tores, apply bead of name
No. 50 Tea	10000-010						INTER Charlester Streets and a
35	10.00		0.1				arvey desets 182
4.0	106.70 -0.00			A DECK		90.0	Christigher Several 417 of
							Watthew Graham 1 1 1 1
		100	ter is the 1 line	Alter Alter		Research of the second second	I them for mentioned that a to
141		100			and the second second		10y years

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



Watch the Video

Upda	ate de la constant de
9:49 AM	Giving Up Overnight Gains
MBS Mo	orning
10:33 AN	AM Data Possibly Arguing For a Bounce
Ale	rt se la constant de
12:01 PM	Weakest Levels of The Day
3:26 PM	

Econ Data / Events

- S&P Manufacturing PMI
 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.

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



MBS & Treasury Markets

MBS

30YR UMBS 5.5

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

30YR UMBS 6.0 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