

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

UPDATE: Bonds Erasing Overnight Losses After Sharply Weaker ADP

- ADP Employment
 - -33k vs 95k f'cast, 29k prev

Bonds were moderately weaker in the overnight session but are erasing those losses after ADP employment came out much weaker than expected. 10yr yields are still slightly higher on the day, up 3bps at 4.27, but this has to do with yield curve steepening. 5yr yields, on the other hand, are back to unchanged.

MBS are also back to unchanged, which is understandable given their closer relationship with 5yr Treasuries these days. Either way, markets aren't going to crazy on this single report as it frequently gives a contrary signal to nonfarm payrolls.



Michael Addison

Mortgage Loan Officer,
First United Bank
Mortgage

www.MichaelAddison.com

M: (214) 500-1358

maddison@firstunitedbank.com

8411 Preston Road, Ste. 112
Dallas TX 75225

NMLS# 603214

Company NMLS# 400025

