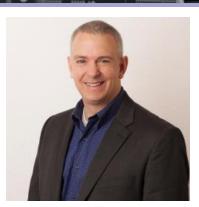
MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Big Market Reaction but Mortgages Outperform



Jeffrey Chalmers Senior Loan Officer, Movement Mortgage Licensed: CA, FL, MA, ME, NH, VT

ClicknFinance.com M: (774) 291-6527

99 Rosewood Dr, Suite 270 Danvers MA 01923 NMLS #76803 NMLS #39179



Big Market Reaction but Mortgages Outperform

MBS Recap Matthew Graham | 3:25 PM

Today's jobs report would have been bad for rates if it was even in line with expectations. After it came out stronger than expected (especially in terms of the unemployment rate at 4.1 vs 4.3 f'cast), it was off to the races for bond sellers. The short end of the yield curve has the most in common with Fed rate expectations, so it took the most damage, but MBS fared far better. Perhaps that has something to do with the government not issuing MBS to fund the just-passed spending bill or perhaps it is a nod to next week's uncertain levels of demand for the scheduled Treasury auctions. Either way, we won't complain. Friday is closed for the holiday, and next week may as well be a holiday because everyone's waiting for July 15th CPI.

			MMBSLIVE	100.0 · 100.0 · 100.0 · 100.0 ·	GLOWN SCHOOL -
THE PROVS 0.0		0.0	TREAL THE CHART MAIN	0 0 REALTINE CHART (40)	MES LIVE OWN
12.18			1011 FINAL 4.0 * FILL DOLL LOW	10.00 the feature that the test	a and a star
		RYDARDST.	106.75 (0.00) Creat priced - 1	nacrower- 1.8270 (-0.0010) (real	COTIONS STATE DRIV QUETAVE
Not 10 Year			June Days 24 THE THE DIST NOT THE TAX	Description of the first that the first	The factor in the second second
18 -		104		HANK	They still decad much lower 1:
					And the set
				18 feet feeting	The state bank it is an
tee 10 Teer				Line and Lin	Ave. Shad have the beau page?
3.0	10.01			A DATE OF A DATE	Anty Parts, Aug and
	105.44 -0.00			Lee 1708	The fact facts playing a nin ten
••				Cont 1204	an typen, apple beat of same
March 10 Team	10.00				Charlestander Kinnen all and
15	100 00 -0.10				The way down in 1.82
48	106.70 -0.00			Market Barrier MONT	Christianer Neveres (117)
an and write to			and the second		The back ball being 1.42 for 1
			See in the 1 state of the 1		Buttere Grahami a in an

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



Watch the Video

Alert

8:33 AM Bonds Selling Off After Stronger NFP

MBS Morning

10:23 AM Jobs Report Comes in Stronger. Bonds React Logically

3:14 PM

Econ Data / Events

- • Nonfarm Payrolls
 - 147k vs 110k f'cast, 139k prev
 - Unemployment rate
 - 4.1 vs 4.3 f'cast, 4.2 prev

ISM Services

- 50.8 vs 50.5 fcast, 49.9 prev
- prices: 67.5 vs 67.7 prev
- employment: 47.2 vs 50.7 prev

Market Movement Recap

- 09:14 AM Sharply weaker after jobs data, but recovering somewhat. MBS down an eighth of a point and 10yr up 5bps at 4.33
- 02:24 PM Very flat after AM sell-off, and now closed for the day. MBS down 6 ticks (.19) and 10yr up 6.7bps at 4.347

Lock / Float Considerations

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

Asymmetric fisk was the fight can fleading into findisday's jobs report. It didn't take a big beat to prompt a big sell-off. 10yr yields of 4.34% are right in line with the lower end of the range that was in place until June 24th. This may lessen the urge of the market to follow through on Monday, but followthrough is always a risk after a big NFP-driven move. All that having been said, the coming week is more of a placeholder ahead of the July 15th CPI data. From a pure strategy standpoint, the fact that rates didn't rise any more than they did on jobs report day presents a compelling lock opportunity for both risk tolerant and risk averse clients (something we almost never say).

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

US Treasuries

15YR UMBS-15 5.0

10 YR	4.347%	+0.067%
2 YR	3.883%	+0.095%
30 YR	4.863%	+0.055%
5 YR	3.937%	+0.070%

Open Dashboard

Share This