

Daily Coverage. Industry Leading Perspective.

Mark Ingram
Broker Owner, Ingram
Company

P: (949) 378-1701

M: (949) 378-1701

170 E. 17th St. #200G
Costa Mesa CA 92627

CADRE:01226769

NMLS: 371141/358879

MBS Recap | Matthew Graham | 3:25 PM

The screenshot displays the mbslive.com website interface, which is a financial data and news portal. The layout is divided into several sections:

- Top Navigation:** Includes the 'mbslive' logo, a search bar, and links for 'HELP', 'TOOLS', 'SETTINGS', and 'LOGIN/REGISTER'.
- Left Sidebar:** Contains a 'TIME PICKING' section with a calendar for January 2016, a 'CALENDAR' section for January 27th, and a 'MARKET' section with a table of market indices (e.g., S&P 500, NASDAQ, DAX).
- Main Content Area:**
 - REAL TIME CHART (BANK):** Displays a line chart for 'DEUT. FINBA 4.0' with a price of 106.75 (0.00). It includes a 'Zoom Chart' feature and a 'CHART OPTIONS' menu.
 - REAL TIME CHART (USD):** Displays a line chart for '10 Year Treasury' with a price of 1.8270 (-0.0010). It also includes a 'Zoom Chart' feature and a 'CHART OPTIONS' menu.
 - 10 Year Treasury:** A detailed view of the 10-year Treasury yield, showing a price of 1.8270, a change of -0.0010, and a volume of 1.20B.
 - MARKET NEWS & ANALYSIS:** A section titled 'LIVE NEWS & ANALYSIS' featuring a list of news items, including 'MBS: Strong Global Markets Consolidate Ahead of Q4' and 'MBS: Strong Global Markets Consolidate Ahead of Q4'.
 - MARKET REPORTS & ANALYSIS:** A section titled 'MARKET REPORTS & ANALYSIS' featuring a list of reports, including 'MBS: Strong Global Markets Consolidate Ahead of Q4' and 'MBS: Strong Global Markets Consolidate Ahead of Q4'.
- Right Sidebar:** Contains a 'WEEKLY LIVE CHART' section with a line chart for '10 Year Treasury' and a 'WEEKLY LIVE CHART' section with a line chart for '10 Year Treasury'.

A large, semi-transparent 'PLAY VIDEO' watermark is overlaid across the center of the image, indicating that this is a video frame.

Watch the Video

Alert

8:33 AM Bonds Selling Off After Stronger NFP

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 f'cast, 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

- Asymmetric risk was the right call heading into Thursday'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 follow-through 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



MBS

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

US Treasuries

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

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