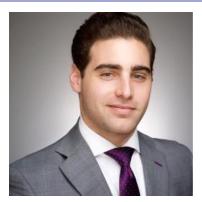
MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Correction Starting to Level Off?



Max Ozkural Chief Investment Officer, SM Capital, Inc.

smcapitalinc.com P:(914) 391-8026 max@smcapitalinc.com

120 Kisco Ave Mount Kisco New York 10549 1074882



Correction Starting to Level Off?

MBS Recap Matthew Graham | 3:43 PM

Even though very little changed during the course of the trading day, one potentially important thing happened. Rather than start weaker and continue to lose ground throughout the session, bonds managed to stop the bleeding early and then push back toward unchanged levels by the end of the day. This is the kind of thing typically seen when a corrective trend is running out of steam in the short term. While this doesn't make the bond market immune from another motivation to sell, it suggests that the market is now open to suggestion from either bulls or bears, and that's an upgrade from the selling bias seen on Monday.

	- ne og na le			a Islandszeren - A. Annon - Market - A		-34				
			MMBS	SLIVE	101 ·				GLOWN SCUT	
INC PROP	1 15	0.0	BEAL THE CHART MANE	0.0	REAL THE OW	NT (60)				MES LIVE OWN
1.44			STREEMALS *	PROF 1993 Line mile 198,75 198,77 198,75 198,84	10 Year Dessury *		AND DES LOS MON LOSS LOSS COM LOSS		COLOR OF MAR	
	Prot	Ny Change	106.75 (0.00)	CHARLOWING + DOUCTONNT+	1.8270 (-				er ornons n. se	Silv Out / New
Mart 36 Year' 11-11 Free		Just Carl 24 Not the the test that the			Town Coast IN THE THE THE NEW YOR THE THE				The second second second second	
					1 million count of					
										And Parks (Aug. 1.1) and
	10675-080					1		18 Feat Treasury		
ine 30 Year			1.1.1	10.00			- A-2-	1,117,118.12.307		Contrar Darraho 1 mart
			11.485		1.0.0		<i>e</i> –	Open. 1,7434	1 . E	Anter Parts And State
	101.441-0.00			THE REPORT OF A	1 2 M			High: 1.7923	10	The state playing a role b
	10720-001		01 000.0	The second second				Once 1 7910		The far Darake 1
No. of Lot						_			10	an Agure, apple beal of ear
				and the second second		_				Charlester Einennen 117
	NOARE HETY					_		Aster of		Christigher Sevense 117

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



Watch the Video

MBS Morning

11:26 AM Heads: They Win. Tails: You Lose

3:36 PM

Market Movement Recap

- 10:04 AM Moderately weaker overnight with some additional selling early. MBS down an eighth and 10yr up 3.8bps at 4.419
- 01:36 PM sideways all day. MBS still down an eighth and 10yr up 2.1bps at 3.877
- 03:33 PM Very slight recovery, but very low volatility. MBS down 3 ticks (.09) and 10yr up 1.3bps at 3.869

Lock / Float Considerations

Follow-through is always a risk when a strong jobs report pushes back against a prevailing rally trend. That's what we saw at the start of the new week, but not in any extreme sense. Bonds are behaving fairly logically here. Unfortunately, there's not much on the calendar to fuel additional logical cause/effect. Bigger risks await with next week's data. The present week is more of a placeholder. The recent end of a rally trend would have us feeling a bit more defensive until this correction has clearly run its course.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 4.64
 - **4.48**
- Floor/Resistance

0	5.33
0	4.05
0	4.12
0	4.19
0	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	4.412%	+0.030%				
2 YR	3.903%	+0.004%				
30 YR	4.938%	+0.022%				
5 YR	3.983%	+0.025%				

Open Dashboard

Share This