MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Correction Starting to Level Off?



element

#REVIEWSMATTER

Brad Roche

The Mortgage Planner, Element Home Loans

www.TheMortgagePlanner.com P: (704) 728-0191 M: (704) 929-7718

400 North Harbor Place Davidson NC 28036 135191



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.

	8 - 48 m					1			
			MMBS	LIVE	M * -			an ser	
Incidente	4		BEAL THE CHART MANE	0.0	REAL THE CHART P	R0)			MUS LIVE OWN
12.18			STREEMAN &	PROV 10105 LOW MORE 106,75 106,77 106,75 106,88	10 Year Dealory				101203 (111ek
	Pro-	Ny-Damp Experies	106.75 (0.00)	CHARLOWING + BURCLOWER +	1.8270 (-0.00			ALLER DETROIT OF	Gen Out Pare
Mart 36 Year' 11-11 Free		Just Carl 24 Not the the test that the		Town Own M THE THE THE THE THE THE THE			They shall shared much lower		
		101			THE OWNER AND IN				
	10108-0101								And Party Party (P. 1 1 1 1
							10 Feat Trans	×	Constant Paralle Course
an (10 Year			1.1.1	11.11		- A-2-	1,07/1512.30	M	Send have the Rey play?
		1044	11 485			1 4	Open: 1,7430 High: 1,7421		Anty Parts, ALL LIN.
	100.001-0.00			The second second			Level 1,7850	100	The state playing a role to
			1 1 1 1 1 1 1 1 1 1				Own 1 7940	100	The bar Darak . 1
No. of Conc.								ur –	an Agure, Apple bead of ear
				and the second se			1	1 C	Christopher Erresest + 17 :
	NOADE -LTN		1 N				Teles.		Charles and the Street of the

© 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	5.99
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