MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Correction to the Correction. Will it Last?



Branch Manager, CL Team – a Division of Luminate Bank

www.clteam.us P: (864) 569-0741 clegrand@clteam.us

400 Executive Center Dr. Greenville SC 29615 NMLS #259691



Luminate Bank



Correction to the Correction. Will it Last?

MBS Recap Matthew Graham | 4:27 PM

Hindsight is 20/20 and foresight may have been close enough this week given the classic correction to June's rally giving way to a classic correction of that correction as early as Tuesday afternoon. It wasn't really until Wednesday that bond traders really showed their cards, buying early and often--well in advance of the afternoon's 10yr Treasury auction or Fed Minutes. In fact, it's not clear that either of those events were necessary to today's victory although the auction certainly had a more measurable impact. Data remains scarce on Thursday and foresight gets cloudy again. In other words, anything that was remotely foreseeable has now run its course as we wait to see how narrow the likely-sideways range will be between now and next week's CPI data.

	a persona a			an Marka Sanakara ang Panananan Pangara			
			MMB	SLIVE	10.0 × 10.0 × 10	aa.s • Actings • 🔝 Gene	
THE PROVS 0.0		TREAL THE CHART MANE		O HEALTIME COURT (40)	REAL TIME COURT (40)		
12.18			DOTEMBER &	PROF 1993 LOW HOLE 104,75 104,77 104,75 104,88			COLOR OF MARK
		No Dana	106.75 (0.00)	CHART OFTICAL + SELECTIONAT +	1.8270 (-0.0010)	LADIE LADIE LADIE LADIE Court prices	
Bar 1876			Jacobar 10 10110	THE REPORT OF THE	Income the State State	NUCTION INC.	The bar Dariel, in the second second second second
		100					Andy Parls Are a local
							A And an
						The fear the server	Contraction Danake 1 https://
iee 30 %		148	i nif	104.00		Care 1/100	Area Bill and ton the beg play?
18	10.05		1100			High 17971	Tanta starting and a role of
••	100.00-0.00					5.0x 1.7958	The State Darek, 1 17 per
						One 1288	an barre, appin beat or ea
3.0	10.00-010		T 11 12				Christopher Kirvens, + 17
35	HIGH RE					Sec. 2	The way does to 182
	106.70 -0.00					19010	Christopher Viewens: 117
AND NOT AND ADDRESS			the second se			Balting Colors 1 1 1	
iles -				and the	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		item he mentored hat a tite yields
	100,2108 (10,0000)		CLIVE NEWS STREAM				Wathew Graham: 1 11 pr
	100.0078 (100.000)	04103 103055	and the second sec		CONTRACTOR AND	1 00	10 til a Be arb byge B
	10,000 (0,000)	14210 122100	Albert And solid	tens tens alter atte			Giftert Dentardt 110 pm
	100,700 110,000	14279 1010701			Del a landari per l'ocura a re		The state basels the per-
	112 8875 14 8911	A state of the local	With Recap Deed Ma	Auto Consideria Andre Californi	Tour and the local beam		The site just has to mean the
-	in conversion	2100109-12109	Around The Well of 1976	on Tens will Dange Lake Avenue 127	Page 10 Connery		is measured by value (lan exceed 10% of the total ma
			Cam + 1794		Anter Barra		The met meters it to a
	tera en tera funta ()		CTUT's Contrag on File	uncial Education	Today 0 7 spars 0 4	Vew Q	The second to be careful also accessed through
MICOL	-	O Trained Autom	100 B	and the second second			The first of the second
		to be been been	Manager and South State	Story of the local division of the local div			The second for the second
	of states and side						Tel Band Litter

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



Watch the Video

MBS Morning

10:09 AM Bonds Sticking to Predictable Script So Far This Week

3:50 PM

Econ Data / Events

- • Refi Apps
 - 829.3 vs 759.7
 - Purchase Apps
 - 180.9 vs 165.3

Market Movement Recap

- 09:38 AM Consistent buying starting right at the 8:20am CME open. 10yr now down 3 bps at 4.38 and MBS up 2 ticks (.06)
- 12:25 PM MBS at best levels, up 5 ticks (.16) and 10yr down almost 4bps at 4.371
- 01:10 PM Very decent 10yr auction and some more improvement. 10yr yield down 5bps at 4.357 and MBS up 6 ticks (.19).
- 02:11 PM Modest improvement after Fed minutes. MBS up 6 ticks (.19) and 10yr down 6.3bps at 4.343
- 04:15 PM Heading out at best levels with MBS up almost a quarter point and 10yr down 6.5bps at 4.341

Lock / Float Considerations

Tuesday's half-hearted weakness proved to be a clue about bond buyers waiting to jump back in the market after the past week of weakness. Anything that was remotely foreseeable has now run its course as we wait to see how narrow the likely-sideways range will be between now and next week's CPI data. i.e. risk and reward are more balanced now and the risk tolerant crowd can use Tuesday's weakest levels as a stop-loss in the short term.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - **4.64**
 - **4.48**
- Floor/Resistance
 - o **3.99**
 - ° **4.05**
 - **4.12**
 - **4.19**
 - **4.34**
 - **4.40**



MBS & Treasury Markets

US Treasuries						
10 YR	4.339%	-0.067%				
2 YR	3.853%	-0.041%				
30 YR	4.873%	-0.055%				
5 YR	3.915%	-0.056%				

÷

÷

÷

÷

Open Dashboard

Share This