MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Bonds Bracing For CPI Impact



Matthew M. Loan Senior Loan Officer, Mortgage Company, LLC.

P: (704) 867-5309 **M:** (980) 867-5309

1050 W. Main St. Charlotte NC 28031 NMLS: #987654321



Bonds Bracing For CPI Impact

MBS Recap Matthew Graham | 5:09 PM

Stocks sold off quickly in the overnight session in response to the announcement of 35% tariffs on Canada. Bonds view such news as a double edged sword, but also drifted into weaker and weaker territory as the day progressed. Given that yields remained inside the week's range, we're more inclined to view this as an acceptable sideways drift ahead of big ticket data event: Tuesday's CPI report. It goes without saying that some of the market will have to be surprised by the outcome which either will or will not show that tariffs have begun impacted the data in a significant way. The farther from forecast, the larger the surprise and the potential bond market reaction. In that light, Friday's weakness could be viewed as a move to the sidelines ahead of the forthcoming revelations.

			MMBSLIV	e	10.0 ×		G.044 9(10)	
THE PROP	neș	0.0	INCAL TIME CHART MANS	0.0	HEAL THE OWNER			MES LIVE OWN
11.18					10 Year Deasory *	AND OTHER LONG	eter Gran	COCC OT AN
		A TOAM LOT	106.75 (0.00)		1.8270 (-0.0010)			ERM OWEREN
Not 10 Year			June Days 24 Not that they have the	or there	Incolors IN THE THE	NUT NOT THE TWO IS		This Dark
34					Construction of the last last	and and the training		They still closed much lower 1
								And Parks, Aug. 1 / 11
40					and the second s	18 Feat Texa		The state family in the
elee 30 Toor				114.14		100/15121		and sole did here play?
	10.01 - 10.		1100	A Second Second		Max 12511		Real Room, March 1999
	10144-000					Lev. 1.7658	2 N 2	27. Tant storts playing a nim ber
			E 19 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				 I.P. 1 	The barrier of the second seco
Red Di Tran								BAR Christopher Einvenni + 17
238 235	10236-010						J.	arvery close to 1.82
	100.70 -0.00			A DESCRIPTION OF THE OWNER OWNER OF THE OWNER OWNER OF THE OWNER		- MOS	8	Christianer Verenne 117 pr
1997 - 19				and a sum of the local division of the				The ballot being this tag be
			the to the 1 thinks	star 1				Butthew Grahami 1 is pro
1940		THE		F-bat				10pr paries
			CLASS MONT STOLAN					Wathers Graham C 11 pm
	100.0078 [10.0190]	04123 102017			CONTRACTOR OF A	1015	00	107 to a the arts toppe that
	AND DESCRIPTION OF	120001010001	And and print they	and the set	and a state of the		0.0	an Barn manuf manh for Ba
	100,000,000,000,000		MELLINE A MUNIC		Ord a lender per neve	a reprice?	stafficite"	Ching Damp Lines

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



Watch the Video

MBS Morning

10:30 AM Overnight Selling But Still in The Range

2:00 PM

Alert

3:00 PM Down an Eighth From Mid-AM Highs

Market Movement Recap							
09:50 AM	Steadily weaker overnight with MBS down an eighth and 10yr up 5.2bps at 4.398						
11:55 AM	Mostly sideways after early weakness. MBS down an eighth and 10yr up 6bps at 4.405						
03:00 PM	MBS are down 6-7 ticks (.1922) depending on the moment and 10yr yields are up 7.7bps at 4.424.						

Lock / Float Considerations

While the outbound week's range ultimately proved to be "sideways," it came close to testing the weaker boundary on Friday. There's not an inherent message in that market movement apart from indecision ahead of Tuesday's CPI data. Lock/float arguments are in relatively good balance, but volatility potential will increase rapidly from here.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - 4.64
 - **4.48**
- Floor/Resistance
 - **3.99**

0	4.05
0	4.12
0	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	4.416%	+0.069%
2 YR	3.901%	+0.024%
30 YR	4.955%	+0.085%
5 YR	3.977%	+0.042%

Open Dashboard

Share This