# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Bonds Bracing For CPI Impact



The Metrolina Mortgage Team Loan Officer, Fairway

Independent Mortgage

www.MetrolinaFairway.com P: (561) 523-2226 M: (561) 523-2226

13700 Providence Rd Weddington NC 28104 1002891

## **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.

	MME	SLIVE	10.P +	100.5 • SCHOOL • 🔝 GLOW SCE	
THE PLOTES	0 0 NEAL THE CHART MAD		HEAL THE OWNER (10)		MES LIVE OWN
6.48	DEVELOPMENT AND		10 Year Desirery Y	And the rate	COLOR OF MAR
Page 1	106.75 (0.00)	DHUTS SHUTT THEY'S SHUBS CONVERTING A DRUGT CONVERT	1,8270 (-0.0010)	LON LON CHI LIN	Sear Dutries
Not 30 Year	THE DOCTOR OF THE	June Days 24 THE THE THE WAY THE THE THE		Josephane Marine Service Service	
ER HERET			THE OWNER AND DECIDENT	AND AND THE TOUT	They still closed much lower
					And Parks, July 1.1 and
	110		100	18 fee frame	Contra bank a reas
ine 38 filmer		14.14		August 1.700	and one of the part
		Server Hand		Mark 12511	Anty Parts, Act of the
15 100.44 -0.00				144 1.7950	The second playing a role of
	410 U 🖉 🖉 🖉			Over 12110	The barrier of the second seco
Wei 30 Tear - Cont					Christopher Errestal + 17
					ar way close to 1 M
		A CONTRACTOR OF		46.7	Christianer Sevena 117
				100	The fit has been at \$25
		the second se			Wetthere Grahami is in pro-
fes Pos	Yest Diversity	2.00			10 r salits
100,2109 248,00003 8,919					Matthew Graham
	UVE NORS STREAM		Concession of the		💐 102 tú a Be arts legge B
		stars two along Gloool	CORRECTOR OF A	KU 6 0	Gilbert Denkardt, 110 pr.
	A DECISION AND A DECISION OF A DECISIONO OF A DECISIONO OF A DECISIONO O		Did a lander and move		an hen nepet web to
	With Recipt David	tarkets Generaldate Alver, NJ/OVC	Reporting to print the	Incomently Report Report	The site part has to need the
10.005 (10.001) 2.404	Around The West, of UK	-	Taxable Burnings		is measured by value Cars
		Days Texas Will Europe Takes (Dear of percent)		-	monet 10% of the loter ma
the print product a print of the second seco		Translat Education	Today 0 7	Ver Q	The findpose in or
	Canadiana a		and the second se		Con Date Date Lines

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



Watch the Video

MBS Mo	rning				
10:30 AM Overnight Selling But Still in The Range					
2:00 PM					
Aler					
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 (.19-.22) 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
  - o 3.99
  - **4.05**
  - **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%		



Share This