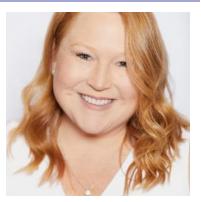
# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## **MBS Recap: Bonds Bracing For CPI Impact**



Corri Klebaum Certified Mortgage Advisor, Edge Home Finance Corporation

teamklebaum.com P: (541) 605-2154 M: (503) 975-5005 corri@teamklebaum.com

1214 Adams Ave La Grande OR 97850 NMLS #211442 Edge Home Finance Corporation | NMLS #891464



EQUAL HOUSING OPPORTUNITY

### **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.



Watch the Video

MBS Mo	orning	
10:30 AM	A Overnight Selling But Still in The Range	
2:00 PM		
Aler	rt	
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

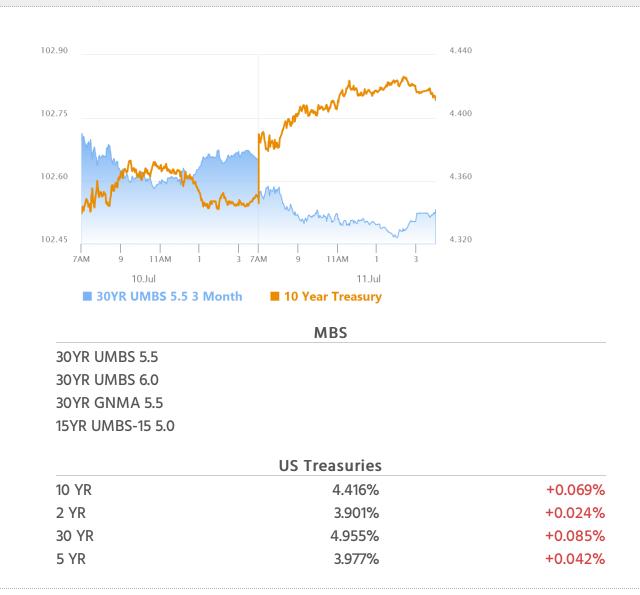
03:00 PM MBS are down 6-7 ticks (.19-.22) depending on the moment and 10yr yields are up 7.7bps at 4.424.

#### 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.

#### reclinedis/ riends in logi (willy logi)

- 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**

**Open Dashboard** 

Share This