MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: All Eyes on CPI



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



All Eyes on CPI

MBS Recap Matthew Graham | 3:26 PM

Bonds have sold off a bit so far in July, but haven't lost much more ground versus last Tuesday as of this afternoon. In other words, trading levels have been coiling for nearly a week as we've traversed a data-free calendar in anticipation of a very important CPI (Consumer Price Index). This is most notable opportunity yet for big-ticket data to show tariff impacts both because it's the first major report for June and also because several Fed members have specifically mentioned June's data as being likely affected. It doesn't take much to connect the dots from there. If the data isn't materially affected, rates should like it, and vice versa. As always, potential volatility is just that: potential. Data could thread the needle or go big in a specific direction. Either way, this is a report where the underlying components can outweigh the suggestion of the top line numbers, so the reaction may be counterintuitive at first.

			MMBSLIV	8	M • 10.0 •		GLOW SCHOOL	
INC PROPER		0.0	NEAL THE CHART MAN	0.0	HEAL THE OWNER (10)		1000	MUSLINE OWN
					10 Year Treasury *			103208 011es
		No-Change		VALUE	1.8270 (-0.0010)		OVALUATION OF THE OWALL AND	Ser Out The
Red 20 Year 1			Annual IN COLUMN THE TOP OF THE TOP	2192	Incompany of the line	THE REPORT OF		They shall be shall be set
		104	the second se		Construction of the last line	(Jame Jame 198 198		
								And Parks, Sec. 1. 1 and
						18 Fear Trees		
ine 30 Year			1.1.1	10.00		A des unions		Carlos Darate 1
		1994	1 Mile 1 🖷		LACK.	Open: 1,7830 High: 1,7831		Anty Parla, AU Colum
	101.44 -0.00			A ALL DATE		Low 1,7958	100	The state states playing a rule b
4.0			10 10 100 100			Open 1 760	1 J. M. M.	an tigere, apple bead on ear
Red Dil Treat of						-	-	
				COROLL OF THE OWNER			1	Christopher Errones: + 17
			T THE	/ Name		Contract Con		Contraction of Contra
	106.70 -0.00					The second se		The ballog being 1.42 to
	Per	-	Search - the - 1 show	alter a state		The second se		Buttere Grahami nit pro

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



Watch the Video

MBS Morning

10:33 AM Empty Calendar and a Sideways Start

Alert

10:49 AM Down an Eighth From Highs

3:08 PM

Econ Data / Events

No scheduled data/events on Monday

Market Movement Recap

- 10:16 AM Sideways overnight. Slightly weaker at first, then recovering after 9:30am NYSE Open
- 12:18 PM 10yr yields are up 2.7bps at 4.435 and MBS are down 5 ticks (.16) on the day and the same amount versus the highs of the day
- 02:58 PM Modest bounce, but still slightly weaker. MBS down an eighth and 10yr up 2bps at 4.428

Lock / Float Considerations

If it's not already implied in the rest of the commentary, Monday night is a very high risk/reward lock/float decision. Granted, big volatility potential in the data is not always a precursor to big volatility, but there's certainly a bigger risk/chance of an NFP-sized trading reaction on Tuesday than on any other day since NFP.

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	4.426%	+0.018%			
2 YR	3.897%	-0.004%			
30 YR	4.969%	+0.014%			
5 YR	3.982%	+0.011%			

Open Dashboard

Share This