# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

# MBS Recap: All Eyes on CPI



Jason R. Richardson City First Mortgage RichardsonLending.com P: (800) 475-6255 M: (661) 857-2202 jason@city1st.com

750 S Main Street Bountiful UT 84010 NML S#256859

Licensed in AL, CA, CO, HI, OH, TN, TX





# 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.



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 commentany. Monday night is a very high risk/reward. © MBS Live, LLC. All rights reserved. This newsletter is a service of MBS Live.

- in the short and day implied in the rest of the commentary, monady inght is a very high hist, 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.

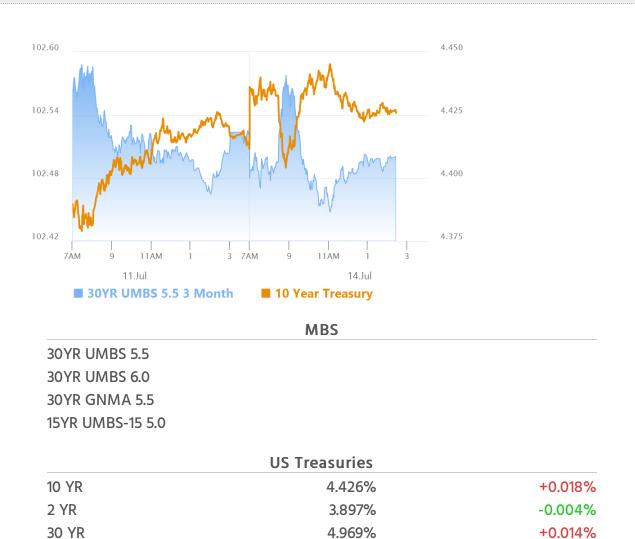
## Technicals/Trends in 10yr (why 10yr)

- 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**



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

Open Dashboard

Share This