Daily Coverage. Industry Leading Perspective.

MBS Recap: What's Up With The Paradoxical CPI Reaction?



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



What's Up With The Paradoxical CPI Reaction?

MBS Recap Matthew Graham | 4:07 PM

Heading into today's data, we knew there was a possibility of two separate reactions--one for the top line CPI numbers and one for a deeper look at the internal components. Those internals show that tariffs are having an impact even though it was a smaller impact than many forecasters were expecting. Bonds didn't seem to care at first. When a new glut of trades came online at the 9:30am NYSE open, that changed. Both stocks and bonds sold off sharply starting at 9:30am and this move looks far more convincing that the initial rally.

	Sector and the sector of the		
	MMBSLIVE	🖬 * 100.0 * 100.0 * 1011060 * 🔛 0.000 0	
THE PIECHS 0.0	REAL THE CHART MAN	0 (HEAL THE CHART \$4)	MUS LIVE OWN
non	106.75 (0.00)	19 Teat Teasury V 100 1000 1000 1000 1,8279 (-0.0010) 000 000 0000 0000 0000 000000	Differ Outries
Ram (14 Year) / / / 14	Aven Care 100 Sec Sec Sec Sec Sec Sec	14 Year Deserver	They all closed much lower Analy Parks, dog 1 of an Analy Parks, dog 1 of an Analy Parks, dog 1 of an Analy Parks, dog 1 of an
Han (0 Family 7-1) 1998 338 1993 (18) (18) (29) 338 1993 (18) (18) (29) 48 1997 (11) 1918	Wine Million	A A A A A A A A A A A A A A A A A A A	Analy Parks, And Parks
Heat St New 2011 Heat St New 2011<		141/	Christopher Enverses 117 ar way close in 137 Christopher Enverses 117 Christopher Enverses 117 inter the bart beine 1.87 in
an stransvegt Man Pau Yan Vertre (*1000), sand (*1000) Vertre (*1000), sand (*1000)	The second secon	1 a	Buttere Grubert - 1 - 1
100.000 (10.000 (10.000) 100.000 (10.000) 100.000 (10.000) 100.000 (10.000)	All and an and a set of the set o	AN DER BERGER FORMER EINEREN BERGEREN	Catacri Destaurd. 1 10 pr.
10.005 (10.007) 2.000 (10.000) an 10710 (2000) 21 a Nh 1300 a programming of Transactions and Transactions	New York ALTER The COTA Density Days Tens. WE Earlys Take (Constant) 17	typest lowery	The site put has to need to in measured by value. Gene encode 30% of the bilar ma Well inseigner.
	COTTO Contrag on Disarche Education Construction for a list Disarche and and the same for the same Price by		Ronage Brangh

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



Watch the Video

Update			
8:35 AM First Move is Stronger as Core CPI Comes in at 0.2 vs 0.3			
MBS Morning			
9:29 AM Tariffs Show Up in CPI, But Not Enough to Hurt			
Alert			
9:45 AM CPI Gains Erased Quickly At 9:30am NYSE Open			
Alert			
11:31 AM Selling Continues; Reprice Risk Picking Up			
3:19 PM			

Econ Data / Events

- • Core MM CPI
 - 0.228 vs 0.3 f'cast, 0.1 prev
 - Core YY CPI
 - 2.9 vs 3.0 f'cast, 2.8 prev
 - Headline MM CPI
 - 0.3 vs 0.3 f'cast, 0.1 prev

Market Movement Recap

- 08:36 AM after CPI 10yr yields are down 2.9bps at 4.406 and MBS are up an eighth
- 09:45 AM 10yr unchanged 4.434. MBS also unchanged and down just over an eighth from the highs.
- 11:29 AM weakness continues. MBS down 6 ticks (.19) and 10yr up 4.7 bps at 4.482
- 02:32 PM Steady, slight selling continues. MBS down 7 ticks (.22) and 10yr up 5.3bps at 4.488

Lock / Float Considerations

Tuesday's CPI put spin on the ball. Unfortunately, it was the wrong kind of spin for fans of low rates. Fortunately, it makes it a bit easier to pick a side in the lock/float debate until this wave of selling pressure subsides.



- Ceiling/Support (can be used as "lock triggers")
 - 4.64
 - **4.48**
- Floor/Resistance
 - **3.99**
 - **4.05**
 - ° 4.12
 - **4.19**
 - **4.34**
 - **4.40**



MBS & Treasury Markets

US Treasuries

15YR UMBS-15 5.0

TO YR	4.485%	+0.050%
2 YR	3.952%	+0.043%
30 YR	5.015%	+0.035%
5 YR	4.047%	+0.058%

Open Dashboard

Share This