

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Fairly Quiet Monday Considering Last Week's Noise



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

NMLS#256859

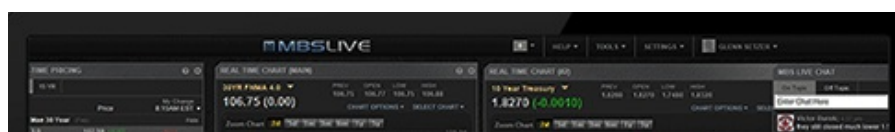
Licensed in AL, CA, CO, HI, OH, TN,
TX



Fairly Quiet Monday Considering Last Week's Noise

MBS Recap Matthew Graham | 4:32 PM

In last week's defense, it really wasn't that noisy, but Friday's Jackson Hole speech and subsequent bond rally made it seem like big things were happening. In actuality, bonds were simply getting back in line with the prevailing range that was carved out after the last jobs report and we'll probably be waiting for the next jobs report before that range is meaningfully challenged. Between now and then, what do you do if you're the bond market? Answer: have days like today with minimal movement and highs/lows that were easily contained by Friday's range (what traders refer to as "an inside day").





Watch the Video

MBS Morning

11:37 AM New Week, Same Struggles

4:01 PM

Econ Data / Events

- ○ New Home Sales
 - 652k vs 630k f'cast, 656k prev

Market Movement Recap

- 10:12 AM moderately weaker overnight and little-changed so far. MBS down an eighth and 10yr up 2.9bps at 4.29
- 01:10 PM mid day gains. MBS unchanged and 10yr up less than 1bp at 4.269
- 03:57 PM Heading out at just slightly weaker levels. MBS down 2 ticks (.06) and 10yr yield up 2bps at 4.28

Lock / Float Considerations

- The new week is underway with minimal change from last Friday. The calendar is on the lighter side in terms of potential volatility although lighter summertime trading conditions could result in seemingly random movement. The nearness to long-term rate lows means that risk-averse clients are still in lock mode. Risk-tolerant clients didn't see enough weakness to trigger any stop-losses on Monday, but those clients should be aware that odds are we'll be waiting until the early September jobs report before seeing any major rate momentum.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")

- 4.64
- 4.48
- 4.40
- 4.34
- 4.28

- Floor/Resistance

- 3.99
- 4.05
- 4.12
- 4.19

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	4.278%	+0.018%
2 YR	3.724%	+0.023%
30 YR	4.895%	+0.009%
5 YR	3.786%	+0.016%

[Open Dashboard](#)

[Share This](#)