

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Steady Gains After Slightly Weaker Start



Philip Bennett

President, Bennett Capital Partners Mortgage Brokers

bcmortgage.com

P: (800) 457-9057

M: (305) 407-0747

1101 Brickell Ave STE 800

Miami FL 33131

Pers# 1098318

Corp# 2046862



**BENNETT
CAPITAL
PARTNERS**

Steady Gains After Slightly Weaker Start

MBS Recap | Matthew Graham | 5:12 PM

Bonds began the day in slightly weaker territory, but not for any particular reason (and certainly for no interesting reasons). For those who care about such things, the yield curve continued to steepen (shorter term yields outperforming longer term yields), but this is fairly irrelevant to the mortgage world as MBS are relatively neutral in curve trading terms (durations are short enough not to get hurt when 30yr bonds are hurting, and long enough to avoid getting hurt when 2yr yields are hurting). Speaking of the neutral part of the curve, today's 5yr auction ended up fairly strong and the reaction helped yields hit their best levels of the day in the afternoon. That said, all of the above is playing out on a micro scale in the bigger picture. We're basically just drifting from one jobs report to the next.





Watch the Video

MBS Morning

11:18 AM Light Data Calendar Leaves Focus on Treasury Auctions. Do Earnings Matter?

3:54 PM

Market Movement Recap

- 09:32 AM fairly flat overnight with some selling at 8:20am CME open. MBS down 2 ticks (.06) and 10yr up 1.7bps at 4.281
- 01:05 PM No major reaction to ho-hum 5yr auction. MBS up 1 tick (.03) and 10yr down 1.5bps at 4.251
- 03:07 PM holding near best levels with MBS up 2 ticks (.06) and 10yr down 2.5bps at 4.239

Lock / Float Considerations

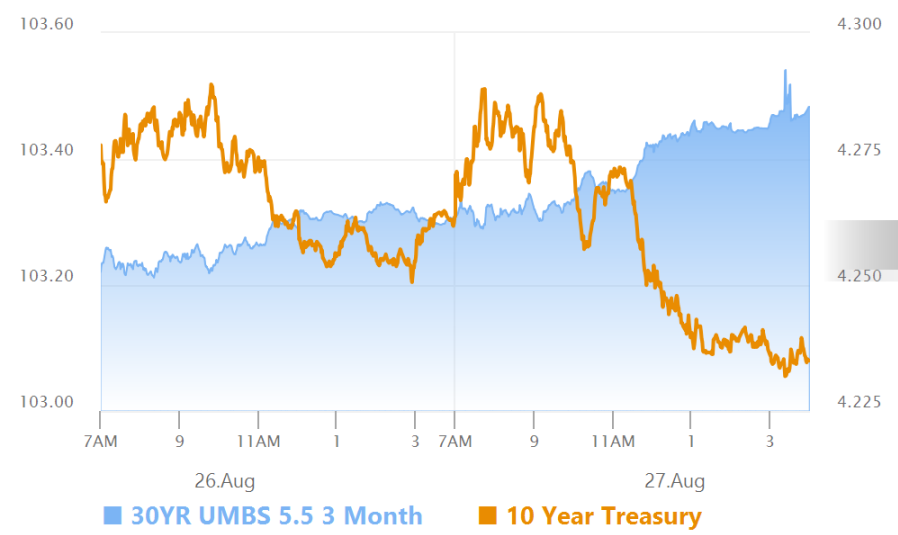
- With rates hitting 10-month lows twice this week, risk-averse clients are still in lock mode. Risk-tolerant clients have enjoyed a very narrow rate range in August, but they should be aware that odds are we'll be waiting until the early September jobs report before seeing any major rate momentum, for better or worse.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - o 4.64
 - o 4.48
 - o 4.40
 - o 4.34
 - o 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	4.235%	-0.029%
2 YR	3.613%	-0.071%
30 YR	4.921%	-0.001%
5 YR	3.706%	-0.038%

Open Dashboard

Share This