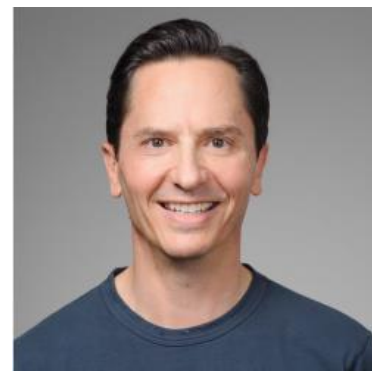


# MBS & TREASURY MARKETS

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## MBS Recap: Straightforward Data-Driven Rally



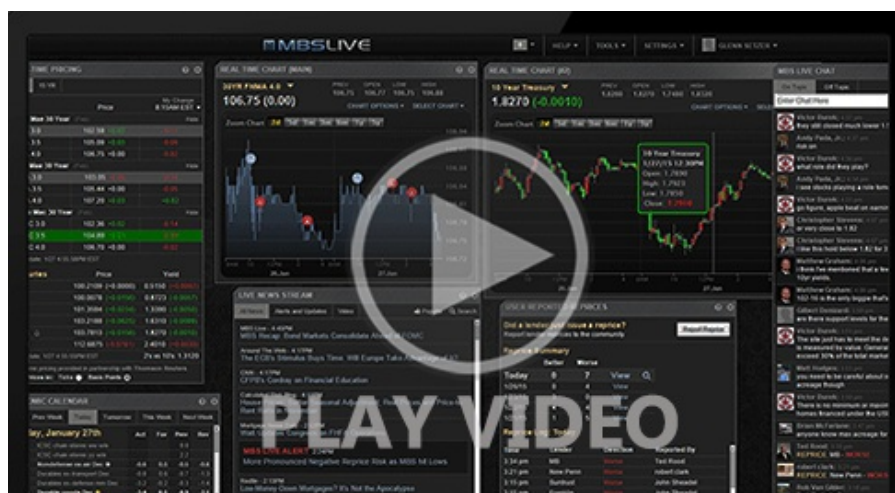
**Julian Hebron**  
Founder, The Basis Point  
<https://thebasispoint.com/>  
San Francisco CA



## Straightforward Data-Driven Rally

MBS Recap | Matthew Graham | 4:20 PM

It proved to be an incredibly straightforward day for the bond market. Trading levels were roughly unchanged in early trading. Friendly Fed comments provided a modest boost, but it was the JOLTS data that clearly set the tone. With job openings hitting the lowest levels since late 2020, traders were quick to hit the buy button. Keep in mind, this is July data whereas Friday's jobs report will be August data. Nonetheless, it was an extra measure of labor market weakness that helped confirm last month's lackluster jobs report. If Thursday's data is similarly downbeat, we could see more of a pre-NFP lead-off with yields challenging the recent range floor.



## MBS Morning

10:12 AM JOLTS Data Bringing The Buyers

3:59 PM

## Econ Data / Events

- ○ Job Openings
  - 7.181m vs 7.400m f'cast, 7.357m prev
- Job Quits
  - 3.208m vs 3.142m prev

## Market Movement Recap

- 10:01 AM Rallying after JOLTS data. 10yr down 2.8bps at 4.231. MBS up 2 ticks (.06).
- 11:39 AM Holding post-JOLTS gains. MBS up 6 ticks (.19) and 10yr down 4.3bps at 4.216
- 04:13 PM Heading out just off the strongest levels with MBS up an eighth and 10yr yields down 4bps at 4.22

## Lock / Float Considerations

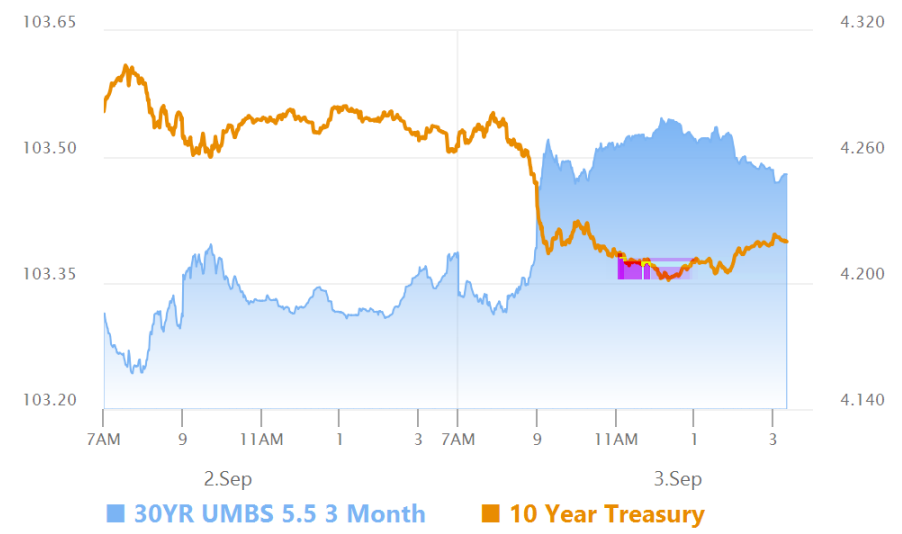
- Any day with rates at longer-term lows (such as Wednesday) is a compelling lock opportunity for risk-averse clients. Friday's jobs report naturally remains the week's biggest source of potential volatility, but Thursday's combo of ADP employment and ISM Non-Manufacturing is a somewhat close second.

## 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 | 4.220% | -0.039% |
| 2 YR  | 3.619% | -0.019% |
| 30 YR | 4.900% | -0.057% |
| 5 YR  | 3.695% | -0.027% |

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