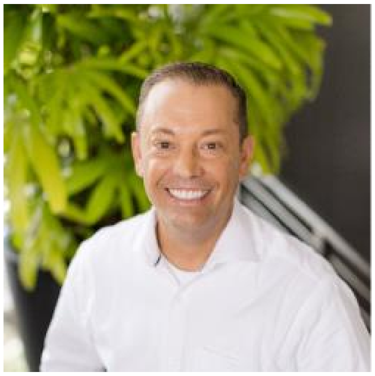


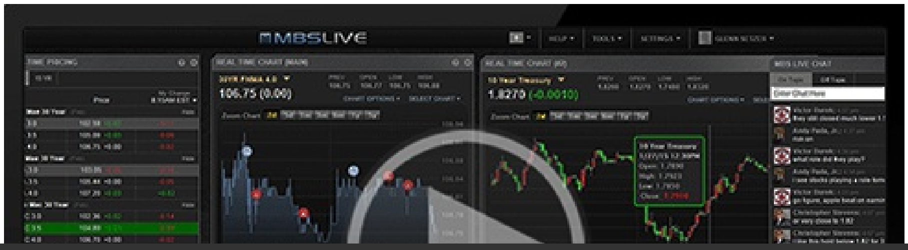
Nickolas Inhelder
Mortgage Broker, In Clear To Close - InCTC LLC
www.AslanHLC.com
P: (720) 446-8778
M: (858) 229-9533
nick@incleartoclose.com
1777 S. Harrison St.
Denver CO 80210
2037157 - CO, FL
2656899 - AL, CO, FL, SD

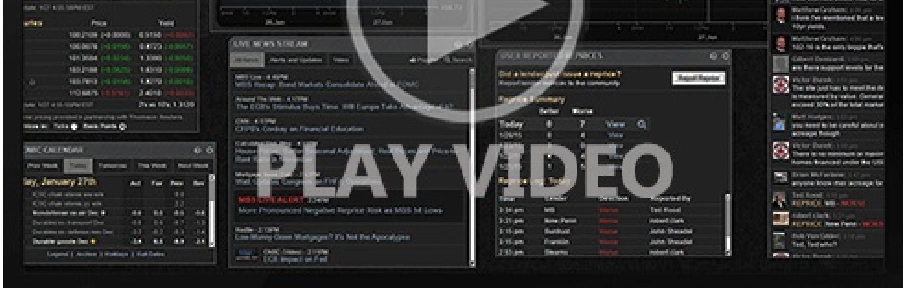
MBS Recap: Moderately Weaker With Only The Reopening to Blame

Moderately Weaker With Only The Reopening to Blame

MBS Recap Matthew Graham | 4:01 PM

The government reopened on Thursday. Both stocks and bonds sold off moderately in response. The bond market weakness is in line with our expectations for a confirmed reopening based on the simple logic that a prolonged shutdown would have been increasingly detrimental to economic growth. Comments from a few Fed speakers added fuel to the fire by calling a December rate cut into question. That said, assuming the big-ticket econ data is back up and running by then, the outcome of those reports will likely add clarity to rate cut expectations (or lack thereof). In case anyone needs the reminder, econ data WILL NOT simply resume on its previous calendar. Releases that were on the schedule will be delayed until further notice and we continue waiting for an updated release schedule from data agencies.





Watch the Video

MBS Morning

8:06 AM Shutdown is Over. Don't Get Excited

Alert

2:29 PM Down an Eighth From Highs

3:36 PM

Econon Data / Events

- ADP Weekly Payrolls (Tue, 11/11)
    - -11k

Market Movement Recap

10:14 AM Weaker overnight and a bit more selling in the past few minutes. MBS down 5 ticks (.16) on the day and 3 ticks (.09) since rate sheets. 10yr up 4.8bps at 4.113

12:24 PM Best levels of the day in Treasuries with 10yr up only 3bps at 4.096. MBS down an eighth of a point.

01:11 PM A bit weaker after 30yr auction. MBS down 5 ticks (.16) and 10yr up 4.5bps at 4.111

03:23 PM New Lows. MBS down a quarter point and 10yr up 5bps at 4.114

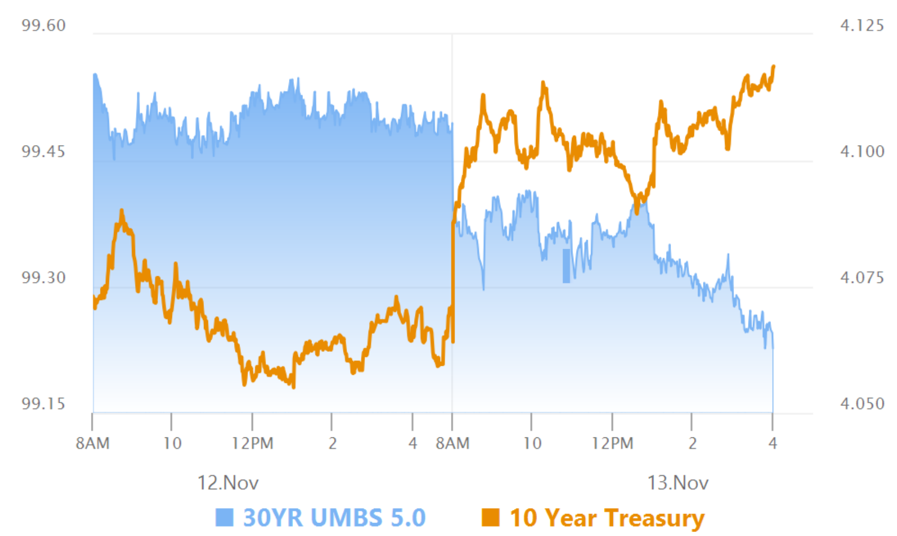
Lock / Float Considerations

- As expected, the confirmation of the reopening of the government brought a modest amount of weakness to the bond market on Thursday. As continues to be the case, it will take the reappearance of big-ticket econ data to drive more serious momentum. As of today, we're still waiting on updated release schedules. The affected agencies are unlikely to release the biggest reports without some advanced notice. This limits the overnight surprise potential when it comes to bigger bond market movement, but moderate volatility remains a risk in the short term.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - 4.48
  - 4.40
  - 4.34
  - 4.28
  - 4.19
  - 4.12
  - 4.05
- Floor/Resistance
  - 3.89
  - 3.97

MBS & Treasury Markets



MBS

30YR UMBS 5.0
30YR UMBS 5.5
30YR GNMA 5.0
15YR UMBS-15 5.0

US Treasuries

10 YR	4.119%	+0.054%
2 YR	3.594%	+0.028%

30 YR	4.712%	+0.051%
5 YR	3.709%	+0.043%

Open Dashboard

Share This