

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Uneventful Monday; MBS Underperform



MONEYHOUSE

Chris Munson

SVP and Managing Director
US Sales and Operations,
The Money House

P: (678) 459-2252

M: (704) 957-5053

8751 Commodity Circle Ste 17
Orlando FL 32819



Uneventful Monday; MBS Underperform

MBS Recap | Matthew Graham | 4:06 PM

In the bigger picture, bonds were flat on Monday without any major volatility in either direction. But if we break out the microscope, we find longer-term Treasuries rallying modestly while MBS lost 1 tick by the 3pm close. In today's case, the MBS underperformance is most easily attributed to Treasuries' underperformance on Friday. Specifically, 10yr yields pressed up to new highs by the end of the day whereas MBS held just slightly above their mid-day lows. Said another way, if we look back 2 trading sessions instead of 1, there's no noticeable underperformance. The flat vibes are consistent with an absence of actionable info. This will change as the week continues, especially on Wednesday (Fed Minutes) and Thursday (NFP).





Watch the Video

MBS Morning

9:30 AM How Much Will This Week's Delayed Jobs Report Matter?

3:46 PM

Econ Data / Events

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

Market Movement Recap

- 08:54 AM Modestly stronger overnight with a slight pullback at 7am. MBS up 1 tick (.03) and 10yr down 1.5bps at 4.135
- 12:09 PM MBS still up 1 tick (.03) and 10yr down 2.3bps at 4.127
- 03:28 PM MBS down 2 ticks (.06) and 10yr up 1.8bps at 4.132

Lock / Float Considerations

- The new week is off to a flat start, which is as much of a victory as bonds could hope for in the absence of friendlier Fed comments or weaker econ data. Potential volatility remains moderate for now, but will pick up surrounding Wednesday's Fed minutes and Thursday's jobs report (even though it's a bit stale).

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	4.132%	-0.018%
2 YR	3.606%	-0.002%
30 YR	4.729%	-0.021%
5 YR	3.721%	-0.008%

[Open Dashboard](#)

[Share This](#)