

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Complete Silence After AM Volatility



**Selma Zollman**

Loan Officer, Grace Modern Mortgage

[www.gracemodernmortgage.com/szollman](http://www.gracemodernmortgage.com/szollman)

**P:** (301) 806-0934

**M:** (301) 806-0934

[Szollman@gracemodernmortgage.com](mailto:Szollman@gracemodernmortgage.com)

11820 Miramar Parkway  
Miramar FL 33025



Grace Modern Mortgage

[www.gracemodernmortgage.com](http://www.gracemodernmortgage.com)

**P:** (954) 945-8694

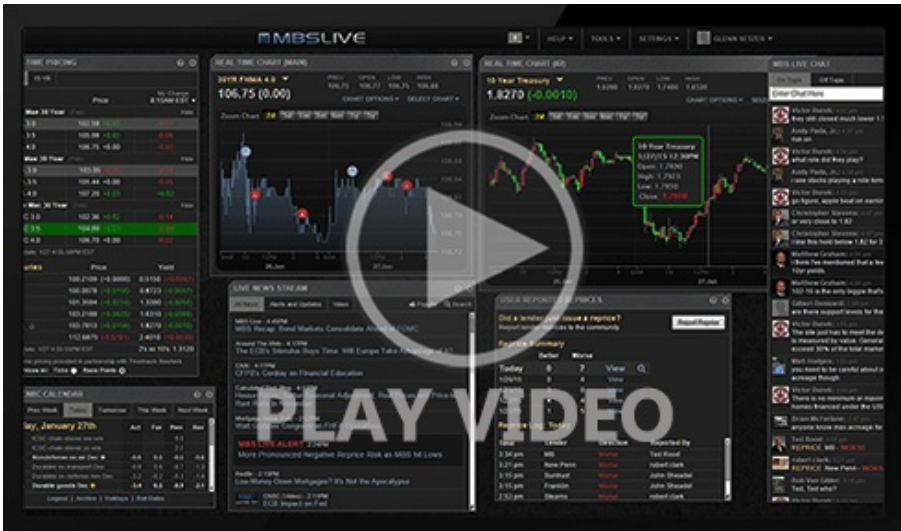
11820 Miramar Parkway  
Miramar Florida 33025  
NMLS 2347296



## Complete Silence After AM Volatility

**MBS Recap** | Matthew Graham | 4:02 PM

Bonds were mostly flat overnight before a sharp sell-off from 8am through 10am ET. After that, momentum went flat again--especially the last 4 hours of trading. No one is still debating whether or not the AM sell-off was due to Japan's central bank news or a post-holiday return to reality. Yields are back in the pre-Thanksgiving range and ready to respond to this week's bigger-ticket econ reports.



Watch the Video

### MBS Morning

10:13 AM    Breaking Down Early Weakness. Is It Japan?

3:45 PM

### Econ Data / Events

- ○ ISM Manufacturing Employment (Nov)
  - 44.0 vs -- f'cast, 46.0 prev
- ISM Manufacturing PMI (Nov)
  - 48.2 vs 48.6 f'cast, 48.7 prev
- ISM Mfg Prices Paid (Nov)
  - 58.5 vs 59.5 f'cast, 58.0 prev

### Market Movement Recap

09:27 AM    Mostly flat overnight but selling steadily since 8am. MBS down a quarter point and 10yr up 6.9bps at 4.084

11:09 AM    No reaction to ISM data. Holding at weakest levels. MBS down 9 ticks (.28) and 10yr up 7.6bps

No reaction to SM data. Holding at weakest levels. MBS down 9 ticks (.28) and 10yr up 7.9bps at 4.09

02:34 PM

Steady at weakest levels. MBS still down 9 ticks (.28) and 10yr up 7.9bps at 4.093

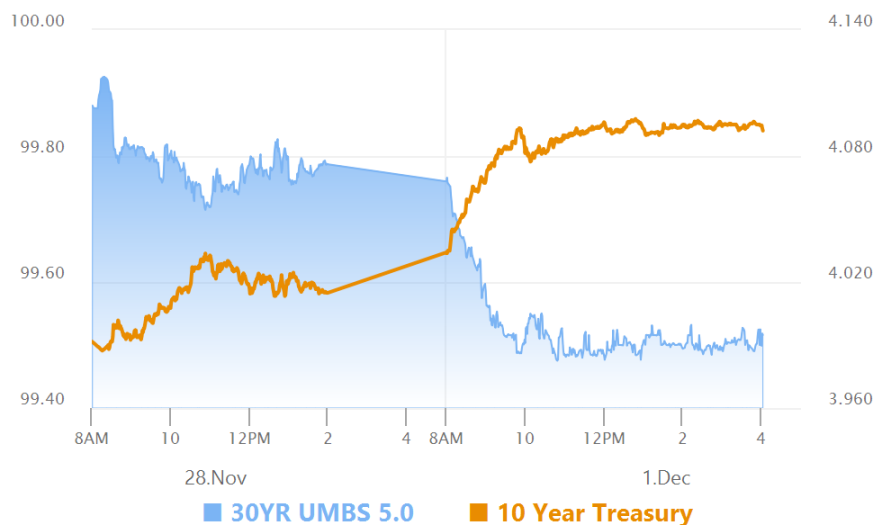
## Lock / Float Considerations

- With holiday-related gyrations in the rearview, rates are in a familiar range seen throughout most of November. Risk/reward is more straightforward in the coming days with economic data standing the best chance to cause volatility.

## Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
  - o 4.48
  - o 4.40
  - o 4.34
  - o 4.28
  - o 4.19
  - o 4.12
  - o 4.05
- Floor/Resistance
  - o 3.89
  - o 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	4.092%	+0.078%
2 YR	3.535%	+0.041%
30 YR	4.742%	+0.077%
5 YR	3.669%	+0.071%

Open Dashboard

Share This