

MBS & TREASURY MARKETS

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MBS Recap: Two-Way Trading But Not Much Day-Over-Day Movement



Alan Lacey
RVP- Consumer Direct Lending, Northpointe Bank
www.northpointe.com
3333 Deposit Dr NE
Grand Rapids MI 49546
NMLS 783169



Two-Way Trading But Not Much Day-Over-Day Movement

MBS Recap | Matthew Graham | 4:10 PM

Bonds had a solid morning, adding moderately to yesterday's rally and taking yields well into the lowest levels since last Friday. But from just after the 9:30am NYSE open, bonds leaked slowly weaker, ultimately ending the day closer to unchanged levels. In the bigger picture, nothing interesting or significant happened, and December 16th (jobs report day) is set to be the only other obviously tradeable day of 2025.

The screenshot shows the MBS Live interface. On the left, there's a 'TIME PRICING' table for MBS 30 Year bonds. In the center, a 'REAL TIME CHART (MBS)' for '30YR FOMA 4.0' is displayed, showing price, open, high, low, and close values. Below the chart is a 'LIVE NEWS STREAM' with a headline about the ECB Stimulus. On the right, a 'REAL TIME CHART (T-BOND)' for '10 Year Treasury' is shown, with a green box highlighting the price and a play button overlaid. The bottom right corner features a 'PLAY VIDEO' button. The bottom of the screen has a 'MBS LIVE CHAT' section with a list of messages from users like 'Andy Pfeifer' and 'John Shreadal'.

MBS Morning

10:22 AM Follow-Through Rally. What's Up With Big Swings in Jobless Claims?

Alert

2:26 PM Down More Than an Eighth From Highs

3:33 PM

Econ Data / Events

- - Jobless Claims
 - 236k vs 220k f'cast
 - Continued Claims
 - 1838k vs 1950k f'cast

Market Movement Recap

- 10:23 AM Stronger after claims data. MBS up 6 ticks (.19) and 10yr down 3.6bps at 4.115
- 12:44 PM MBS up an eighth and 10yr down 2.7bps at 4.123
- 02:30 PM Gains fading a bit. MBS up only 2 ticks (.06) and 10yr down 1.1bps at 4.14
- 03:57 PM drifting out at same levels as last update. MBS up 2 ticks (.06) and 10yr down 0.9 bps at 4.142

Lock / Float Considerations

- The friendly reaction to the Fed announcement (and press conference) helps reinforce the prevailing range. Risk-tolerant clients will use the ceiling of the range as a lock trigger while risk-averse clients will capitalize on today's mid-day price improvements. Volatility risk decreases over the next few days, but will pick back up again leading up to the Dec 16th jobs report.

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	4.147%	-0.003%
2 YR	3.530%	-0.014%
30 YR	4.794%	+0.013%
5 YR	3.722%	-0.012%

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