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

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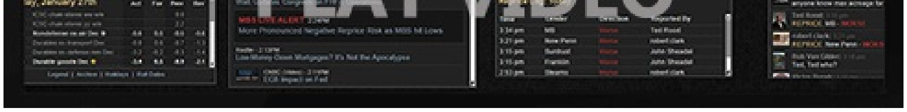
Two-Way Trading But Not Much Day-Over-Day Movement

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.



Watch the Video

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

Econon 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

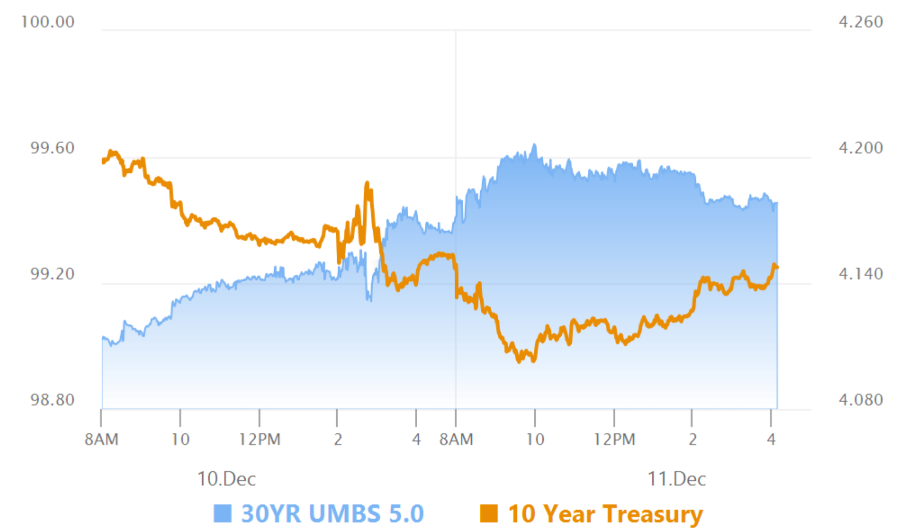
- The friendly reaction to the Fed announcement (and press conference) helps reinforce the prevailing range. Risk-tolerant clients will use the ceiling of the range as a lock trigger while risk-averse clients will capitalize on today's mid-day price improvements. Volatility risk decreases over the next 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")
    - 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	4.147%	-0.003%
2 YR	3.530%	-0.014%
30 YR	4.794%	+0.013%
5 YR	3.722%	-0.012%

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