

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Fairly Calm Monday. Jobs Report on Deck



Paul E Smith

Owner, Main Street
Mortgage Company

www.texasmainstreet.com

P: (713) 528-1245

M: (713) 480-7385

3100 Richmond Ave
Houston TX 77098

MSMC NMLS 296814

Paul E Smith NMLS 193580



Fairly Calm Monday. Jobs Report on Deck

MBS Recap | Matthew Graham | 3:20 PM

Monday ended up being a forgettable December trading day with modest overnight gains eroding to roughly unchanged levels by the 3pm close. There were no catalysts worth discussing, and even if there were, they'd pale in comparison to the inbound econ data. Tuesday morning brings the first post-shutdown jobs report, albeit a week and a half later than normal. With payrolls counts not carrying as much weight as they used to, don't be surprised to see an increased focus on the unemployment rate. While some of the full-fledged reaction could be held back until traders get Thursday's CPI data, the jobs report nonetheless could be the heaviest hitting report we've seen in several months. Then again, its ability to cause volume/volatility are heavily dependent on how far it falls from forecasts.





Watch the Video

MBS Morning

10:00 AM Welcoming Back Timelier BLS Data

Alert

11:42 AM MBS Down an Eighth From Highs

2:54 PM

Econ Data / Events

- ○ NY Fed Manufacturing
 - -3.9 vs 10.0 fcast, 18.7 prev

Market Movement Recap

- 09:27 AM Modestly stronger overnight and holding gains so far. MBS up 2 ticks (.06) and 10yr down 1.4bps at 4.167
- 11:43 AM Back near unchanged levels. MBS up 1 tick (.03) and 10yr down 0.3bps at 4.177
- 02:08 PM 10yr up 0.1bps at 4.18 and MBS up 1 tick (.03).

Lock / Float Considerations

- Rates held the recent range last week, albeit just barely. The present week is all about the outcome of long-awaited big-ticket econ data with a particular focus on Tuesday's jobs report and Thursday's CPI. As such, Monday and Wednesday evenings both present higher risk for those inclined to float.

Technical/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	4.176%	-0.004%
2 YR	3.504%	-0.020%
30 YR	4.845%	+0.004%
5 YR	3.728%	-0.014%

[Open Dashboard](#)

[Share This](#)