

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Slightly More Focus Than Normal on Thursday's CPI



Dagoberto Castillo

Broker Owner, Obtain A Mortgage, LLC

ObtainAmortgage.com

M: (954) 271-2995

3750 NW 87th Ave, Suite 700
Doral FL 33178

Dagoberto Castillo - NMLS #
385009

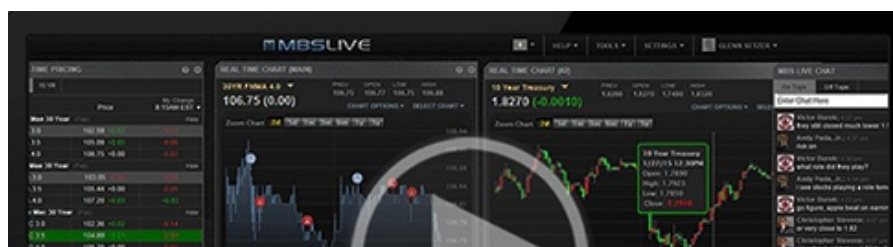
Obtain A Mortgage, LLC - NMLS #
2636344



Slightly More Focus Than Normal on Thursday's CPI

MBS Recap | Matthew Graham | 4:16 PM

Wednesday ended up being an uneventful trading day with bonds mostly sideways and well within the recent trading range. This isn't hard to believe given the absence of any relevant market movers. Thursday could be different thanks to the Consumer Price Index (CPI). This is one of those reports that has occasionally swung for the fences, but that can also have almost no impact. The present example could receive a bit more focus than normal as it will be the first time we've seen this data since October 24th. In addition, recent Fed speeches have reintroduced inflation concerns as a reason to be patient when it comes to additional rate cuts. None of this guarantees fireworks, but at the very least, it's the last potential source of fireworks this year as far as econ data is concerned.





Watch the Video

MBS Morning

10:35 AM Quiet Calendar Ahead of Thursday's CPI

Update

11:59 AM MBS Nearly an Eighth Off Best Levels

4:02 PM

Market Movement Recap

- 08:37 AM Modestly weaker overnight. MBS down 3 ticks (.09) and 10yr up 2.6bps at 4.167
- 10:42 AM Back near unchanged levels. MBS unchanged and 10yr up only 0.3 bps at 4.144
- 02:39 PM Bouncing back a bit. MBS down 1 tick (.03) and 10yr up 0.7bps at 4.148

Lock / Float Considerations

- Rates are no worse for the wear after Tuesday's jobs report, even if the improvement fell short of what we might expect given the uptick in unemployment. Risk averse clients may view this as suggesting some measure of resistance to the notion of any rapid improvement in rates between now and year-end. Pragmatists assume the market is waiting to consider bigger moves after Thursday's CPI data.

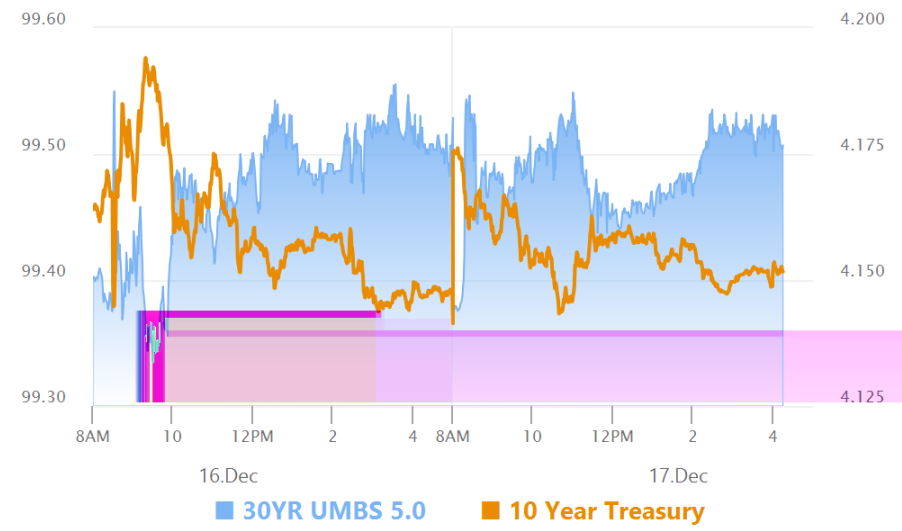
Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - o 4.48
 - o 4.40
 - o 4.34
 - o 4.28

- 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	4.152%	+0.011%
2 YR	3.484%	-0.006%
30 YR	4.826%	+0.013%
5 YR	3.698%	+0.002%

Open Dashboard

Share This