

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.



MBS Recap: Range-Bound Cruise Control, PM Edition



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Range-Bound Cruise Control, PM Edition

MBS Recap | Matthew Graham | 3:57 PM

Bonds came into the domestic session at slightly weaker levels and held mostly sideways for the entire day. There were no meaningful market movers in play, let alone any meaningful movement. Volume clocked in at the lowest non-holiday level of the year. NOTE: this week's analysis will be shorter and more basic than normal unless something interesting happens.

PLAY VIDEO

The screenshot shows the MBS Live interface with several windows open:

- TIME PRICING**: Shows bond prices for various maturities, including 10-Year, 20-Year, 30-Year, and 30-Year TIPS.
- REAL TIME CHART (BOND)**: A line chart for the 20-Year FOMO 4.0 bond, showing price, open, high, low, and close values.
- REAL TIME CHART (TREASURY)**: A line chart for the 10-Year Treasury, showing price, open, high, low, and close values.
- REAL TIME CHAT**: A live chat window with multiple users, including "Andy Pyle" and "Robert Clark".
- LIVE NEWS STREAM**: Headlines and updates, including "ECS Live Alert: ECB Stimulus Buys Time, Will Europe Take Advantage?" and "ECS Live Alert: ECB Cuts on Financial Education".
- RECENT REPORTS & PRICES**: A summary of recent reports and prices, including "Did a bond rally deserve a reprieve?" and "What does the ECB's stimulus buy time, will Europe take advantage?".
- MBS CALENDAR**: A calendar for the week of January 27th, 2020, with events like "ECS Live Alert: ECB Stimulus Buys Time, Will Europe Take Advantage?" and "ECS Live Alert: ECB Cuts on Financial Education".

MBS Morning

10:34 AM Range-Bound Cruise Control

3:32 PM

Market Movement Recap

09:25 AM modestly weaker overnight and holding sideways so far. MBS down 2 ticks (.06) and 10yr up 2bps at 4.16

01:52 PM MBS still down 2 ticks (.06) and 10yr up 2.8bps at 4.168

03:37 PM MBS down 1 tick (.03) and 10yr up 2.6bps at 4.166

Lock / Float Considerations

- We're now entering peak holiday mode for bond markets. This means a wider range of movement that can happen for no apparent reason even though the average year sees rates drift aimlessly sideways in the 2nd half of December. The next risk for consequential volatility from scheduled events won't be until the first week of January.

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

30YR UMBS 5.0
30YR UMBS 5.5
30YR GNMA 5.0
15YR UMBS-15 5.0

US Treasuries

10 YR	4.165%	+0.025%
2 YR	3.506%	+0.024%
30 YR	4.837%	+0.016%
5 YR	3.713%	+0.025%

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