

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.

The screenshot shows the MBS LIVE software interface. On the left, a 'TIME PAGING' table displays bond yields for various maturities, ranging from 1 to 30 years. The middle section features two 'REAL TIME CHART (BOND)' and 'REAL TIME CHART (TREASURY)' windows. The bond chart shows a range-bound movement with a play button overlay. The treasury chart shows a similar range-bound movement with a green box highlighting a specific price point. The right side of the interface includes a 'LIVE CHAT' window with a list of messages, a 'LIVE NEWS STREAM' window, and a 'LIVE REPORTS SERVICES' window.



[Watch the Video](#)

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")
 - 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	4.165%	+0.025%
2 YR	3.506%	+0.024%
30 YR	4.837%	+0.016%
5 YR	3.713%	+0.025%

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