

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Decent Gains With Some Help From 7yr Auction

A stylized signature of the name 'Miller' is written in black ink across the top. Below the signature, the words 'THE MILLER TEAM' are printed in a smaller, all-caps, sans-serif font.

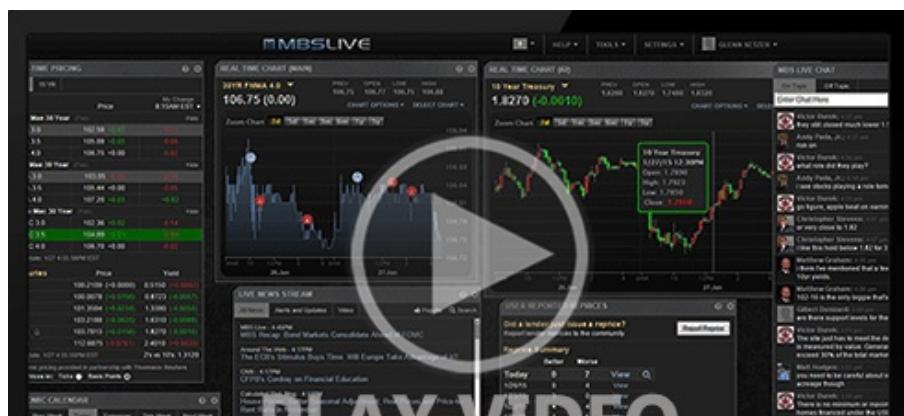
Adam Fuller
Senior Loan Officer,
Mortgage 1 Inc.
www.m1gr.com/af
P: (616) 552-4663 x2
afuller@mortgageone.com
3243 East Paris Ave. SE
Grand Rapids MI 49512
1317422



Decent Gains With Some Help From 7yr Auction

MBS Recap | Matthew Graham | 1:17 PM

You know it's a holiday with an early closure if we're talking about a 7yr Treasury auction having an impact on the bond market. To be fair, 7s have had an impact once or twice in the past, but the bar is certainly high. The holiday calendar makes the bar a bit lower as fewer determined traders are required to move the whole pile. Such was the case after the 11:30am ET auction. Bonds were already in good shape before that, but the earlier gains were more incidental than data-driven.





Watch the Video

MBS Morning

9:26 AM Bonds Are Open... Sort Of

1:07 PM

Econ Data / Events

- ○ Continued Claims (Dec)/13
 - 1,923K vs -- f'cast, 1,897K prev
- Jobless Claims (Dec)/20
 - 214K vs 223K f'cast, 224K prev

Market Movement Recap

08:31 AM Unchanged overnight and no reaction to claims data. MBS unchanged and 10yr down 1/10th of a bp at 4.165

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

- 4.15
- 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	4.130%	-0.036%
2 YR	3.503%	-0.026%
30 YR	4.791%	-0.033%
5 YR	3.714%	-0.019%

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