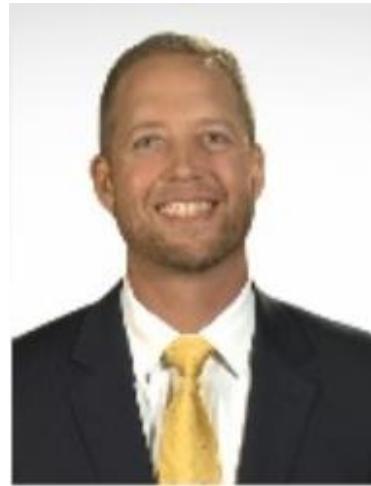


MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Uneventful And Slightly Stronger



David Wiest

MLO, US Bank

P: (916) 955-7664

M: (916) 955-7664

1400 Rocky Ridge Dr
Roseville CA 95661
561109

Uneventful And Slightly Stronger

MBS Recap | Matthew Graham | 4:25 PM

Although volumes picked up a bit versus Friday, no one would confuse the late December bond market from exhibiting any unexpected signs of life. A stronger open in Europe made for a modest improvement overnight and almost all of the domestic session was spent treading water at those same levels.

A screenshot of the MBS LIVE software interface. The top navigation bar includes 'TIME PRICING', 'REAL TIME CHART (MATIC)', 'REAL TIME CHART (10Y)', 'MBS LIVE CHAT', and 'GLOBE NETWORK'. The 'REAL TIME CHART (MATIC)' section shows a chart for '20 Year FOMA 4.0' with a price of 106.75 (0.00) and a '10 Year Treasury' chart with a price of 1.0270 (-0.0010). The 'REAL TIME CHART (10Y)' section shows a chart for '10 Year Treasury' with a price of 1.0270 (-0.0010). The 'MBS LIVE CHAT' section shows a list of messages from users like 'Victor Shrestha' and 'Andy' discussing market levels and trends. The 'LIVE NEWS STATION' section displays a news article about the ECB's stimulus buy times. The 'USER RESPONSE SERVICES' section shows a summary of user requests. A large 'PLAY VIDEO' button is overlaid in the center of the screen.

Watch the Video

MBS Morning

10:26 AM Mostly Sideways Despite Some Help From Europe

3:43 PM

Econ Data / Events

- - Pending Home Sales
 - 79.2 vs 74.9 prev

Market Movement Recap

10:12 AM Modestly stronger overnight and holding sideways so far. MBS up 2 ticks (.06) and 10yr down 1.6bps at 4.117

03:38 PM Minimal volatility all day. MBS up 2 ticks (.06) and 10yr down 1.9bps at 4.114

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

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	4.109%	-0.024%
2 YR	3.457%	-0.016%
30 YR	4.796%	-0.030%
5 YR	3.668%	-0.026%

[Open Dashboard](#)

[Share This](#)