

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Uneventful And Slightly Stronger



Richard Ray

Managing Partner, Caliver Beach Mortgage

Caliver Beach Mortgage

P: (240) 552-5369

M: (202) 390-4483

500 Redland Court Suite 300
Owings Mill 21117

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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.

The image shows the MBS LIVE software interface. On the left, there's a 'TIME PRICING' table for MBS 30 Year bonds with columns for Price, Yield, and Change. The table shows various bond prices with small changes. In the center, there are two 'REAL TIME CHART (MBS)' and 'REAL TIME CHART (TREASURY)' sections. The treasury chart shows a price of 106.75 (0.00) with a recent dip. The MBS chart shows a price of 1.8279 (-0.0010) with a recent dip. Below these charts is a 'LIVE NEWS STREAM' with a headline about the ECB's interest rate decision. To the right is a 'CHAT ROOM' with a list of messages from users like 'Victor Shantz' and 'Christopher Stevens'. At the bottom, there's a 'MBS LIVE CALENDAR' for January 27th and a 'MBS CITY ALERT' section. 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
 - o 4.05
 - 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	4.109%	-0.024%
2 YR	3.457%	-0.016%
30 YR	4.796%	-0.030%
5 YR	3.668%	-0.026%

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