

# MBS & TREASURY MARKETS

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## MBS Recap: Modest Recovery From Morning Weakness



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## Modest Recovery From Morning Weakness

**MBS Recap** | Matthew Graham | 3:22 PM

Bonds were slightly weaker this morning in a move that looked like it might have been significant when compared to yesterday's narrow range. But in a just-barely-wider context, today's volatility was just as inconsequential as almost any of the days in December so far. With that, we'll continue to count down to next week's bigger-ticket data and more robust trader participation.

The screenshot displays the MBS LIVE interface. On the left, there are two charts for the 30-Year Fixed and 10-Year Treasury bonds, showing price, open, high, low, and close values. The 30-Year Fixed chart shows a price of 106.75, while the 10-Year Treasury chart shows a price of 1.8279. The middle section features a large play button over a live news stream titled 'MBS Recap: Bond Markets Consolidate Around FOMC'. To the right is a live chat window with multiple users and a summary of recent price movements for various bonds.

PLAY VIDEO

Watch the Video

3:16 PM

## Econ Data / Events

- - o Case Shiller Home Prices-20 y/y (Oct)
    - 1.3% vs 1.1% f'cast, 1.4% prev
  - o CaseShiller 20 mm nsa (Oct)
    - -0.3% vs -- f'cast, -0.5% prev
  - o FHFA Home Price Index m/m (Oct)
    - 0.4% vs 0.1% f'cast, 0% prev
  - o FHFA Home Prices y/y (Oct)
    - 1.7% vs -- f'cast, 1.7% prev
  - o Chicago PMI (Dec)
    - 43.5 vs 39.5 f'cast, 36.3 prev

## Market Movement Recap

- 10:10 AM      Moderately weaker overnight and sideways so far. MBS down an eighth and 10yr up 2.7bps at 4.135
- 12:02 PM      bouncing back a bit. MBS down only 1 tick (.03) and 10yr up 1.2bps at 4.119
- 03:14 PM      Still mostly sideways. MBS down 2 ticks (.06) and 10yr up 2.1bps at 4.128.

## 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 & Treasury Markets



### MBS

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

+

### US Treasuries

10 YR	4.129%	+0.022%
2 YR	3.452%	+0.022%
30 YR	4.814%	+0.018%
5 YR	3.681%	+0.039%

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