

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## **ALERT:** Quick Selling Pressure At Year-End Trading Cut-Off

MBS are down a quick eighth of a point from the most recent highs. Unless a lender repriced for the better at those highs, negative reprice risk is minimal and, indeed, not at all justified by this amount of movement (i.e. this is a "heads-up" alert simply to explain the jumpiness.

While the official early close is still one hour away, the cut-off time for most large traders is/was 1pm ET. There's been a typical surge of volume around that time. A quick jolt of several bps in 10yr yields is not uncommon. There is no underlying fundamental motivation. It's all a byproduct of last-moment year-end position squaring.



**David Wiest**

MLO, US Bank

**P:** (916) 955-7664

**M:** (916) 955-7664

1400 Rocky Ridge Dr  
Roseville CA 95661  
561109