



## 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 Luxton**

Mortgage Loan Officer,  
USA Mortgage

<https://www.dluxhomeloans.com/>

**M:** (314) 578-3949

dluxton@usa-mortgage.com

12140 Woodcrest Executive Dr  
St. Louis Missouri 63141

NMLS: 1993175, OH:  
RM.850291.000, MLO-  
OH.1993175,

