

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.



## MBS Recap: Modest Incidental Weakness



**Marc Erickson**  
Mortgage Guide, Excel  
Financial Group, LLC  
[www.themortgagemarc.com](http://www.themortgagemarc.com)  
**P:** (720) 295-0704  
**M:** (720) 295-0704  
123 N College Avenue  
Fort Collins CO 80524  
1245157



**Ehric Wolfe**  
REALTOR®, Coldwell  
Banker Realty  
[www.coloradowolfehomes.com](http://www.coloradowolfehomes.com)  
**P:** (970) 691-5299  
[ehric@coloradowolfehomes.com](mailto:ehric@coloradowolfehomes.com)  
3665 John F Kennedy Parkway  
Fort Collins CO 80525



## Modest Incidental Weakness

Despite a bit of incidental selling today, the bond market has survived the winter holiday season without even attempting to break outside the narrow prevailing range. This is especially true for shorter duration Treasuries and MBS. It has been and continues to be the case that we won't get a sense of the next wave of momentum until next week at the earliest. It could take even longer if the econ data fails to make a compelling case for better or worse.



Watch the Video

## MBS Morning

10:47 AM Monitoring For Misbehavior

Alert

11:04 AM Down an Eighth From AM Highs

Alert

1:41 PM Negative Reprice Risk Increasing

3:39 PM

## Econ Data / Events

- ○ S&P Global Manufacturing PMI
  - 51.8 vs 51.8 fcst, 52.2 prev

## Market Movement Recap

09:35 AM Modestly stronger overnight and little-changed so far. MBS up 2 ticks (.06) and 10yr down 0.3bps at 4.165

01:29 PM weakest levels of the day. MBS down 1 tick (.03) and 10yr up 1.7bps at 4.186

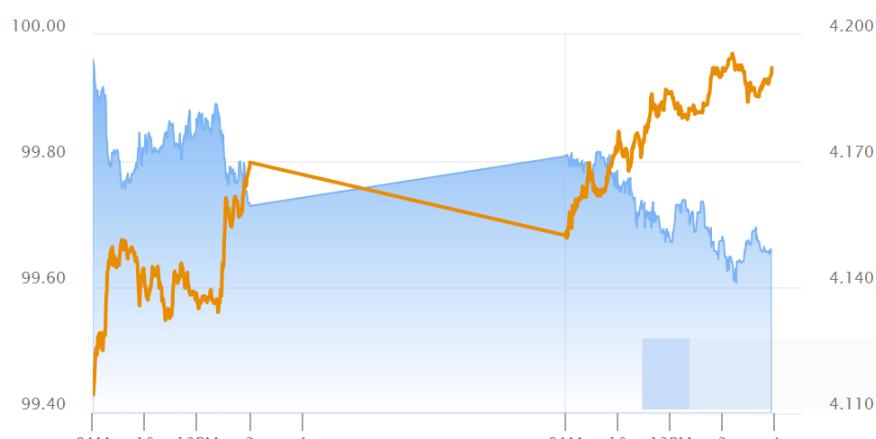
## Lock / Float Considerations

- 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



31.Dec

2.Jan

■ 30YR UMBS 5.0

■ 10 Year Treasury

## MBS

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

+

## US Treasuries

10 YR	4.192%	+0.023%
2 YR	3.476%	+0.001%
30 YR	4.870%	+0.026%
5 YR	3.742%	+0.015%

[Open Dashboard](#)

[Share This](#)