

MBS & TREASURY MARKETS

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MBS Recap: Modest Incidental Weakness



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Modest Incidental Weakness

MBS Recap | Matthew Graham | 3:51 PM

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.

The screenshot displays the MBS LIVE platform with several key features:

- Real-Time Pricing:** Shows bond yields for various maturities, including 30 Year, 10 Year, 5 Year, and 3 Year.
- Real-Time Charts:** Includes a 30Y FOMC dot plot, 10 Year Treasury chart, and a 5 Year Treasury chart. The 5 Year chart highlights a recent dip in yields.
- News Stream:** Shows a live news feed with a headline about the Fed's policy statement.
- Stock Report Summaries:** Provides summaries of stock market performance and news.
- Alerts:** Shows a 'MBS LIVE ALERT' for negative repricing risk in MBS M1 Lows.
- Calendar:** Displays the MBS Calendar for the week of January 27th.
- Chat:** An active chat window with multiple users discussing market topics.

PLAY VIDEO

Watch the Video

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 f'cast, 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

o 4.05

- Floor/Resistance

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

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