

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Bonds Improve Back to Pre-Holiday Levels



Caroline Roy

Branch Manager, Loan Officer, GoPrime Mortgage

P: (406) 624-6330

M: (406) 581-4939

2015 Charlotte St.
Bozeman MT 59718

271203 MT, ID, CO, CA, ME, AK,
WA, WY



Bonds Improve Back to Pre-Holiday Levels

MBS Recap | Matthew Graham | 4:18 PM

While there was some relevant econ data today (ISM Manufacturing), it didn't have an obvious impact on the bond market. Nonetheless, volume was back at pre-holiday levels. Notably, Dec 11 (day after Fed day) was the last day of 2025 that wasn't affected by progressively lighter participation. 10yr yields closed at 4.15% on that day--the same level as today. The winter holidays don't always work out this perfectly, but it couldn't have been any more perfect this year. From here, we can plug back into the incoming econ data and read more significance into any major responses.





[Watch the Video](#)

MBS Morning

10:20 AM Bonds Are Back in The Office

4:06 PM

Econ Data / Events

- - ISM Manufacturing Employment (Dec)
 - 44.9 vs -- f'cast, 44.0 prev
 - ISM Manufacturing PMI (Dec)
 - 47.9 vs 48.3 f'cast, 48.2 prev
 - ISM Mfg Prices Paid (Dec)
 - 58.5 vs 59.0 f'cast, 58.5 prev

Market Movement Recap

- 10:01 AM Moderately stronger overnight and at best levels after ISM data. MBS up 2 ticks (.06) and 10yr down 2bps at 4.171
- 02:57 PM Off the best levels, but still close. MBS up an eighth and 10yr down almost 3bps at 4.162
- 04:01 PM Sideways at best levels. MBS up 5 ticks (.16) and 10yr down 3.6bps at 4.155

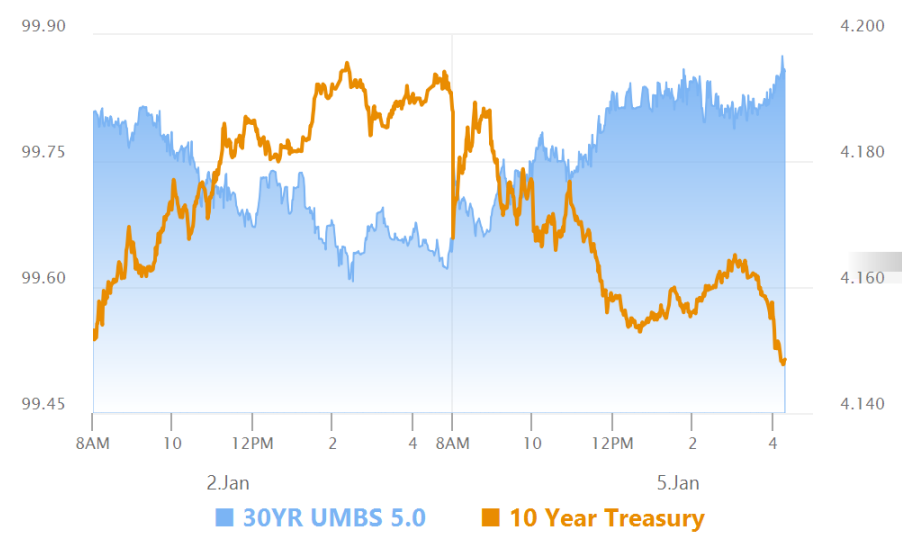
Lock / Float Considerations

- We're now exiting holiday mode for bond markets. Yields ended Monday, Jan 5th right where they ended the last full-fledged day of 2025 (Dec 11, post-Fed day), as if to commend anyone who tuned out from the past 3 weeks of meaningless volatility. Whether or not we see meaningFUL volatility in the coming days will most likely depend on the econ data that comes out on Wednesday and Friday.

Technicals/Trends in 10yr (why 10yr)

- Ceiling/Support (can be used as "lock triggers")
 - o 4.48
 - o 4.40
 - o 4.34
 - o 4.28
 - o 4.19
 - o 4.12
 - 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	4.148%	-0.043%
2 YR	3.449%	-0.030%
30 YR	4.837%	-0.036%
5 YR	3.697%	-0.050%

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