

# MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

## MBS Recap: Ultimately Underwhelming Despite Seemingly Significant Data



Alan Lacey

RVP- Consumer Direct Lending, Northpointe Bank

[www.northpointe.com](http://www.northpointe.com)

3333 Deposit Dr NE  
Grand Rapids MI 49546

NMLS 783169



## Ultimately Underwhelming Despite Seemingly Significant Data

MBS Recap | Matthew Graham | 4:59 PM

There was certainly the potential for volatility today with the confluence of ADP, ISM, and Job Openings data. But the results ended up being close enough to consensus to obviate any massive reactions. Yields hit their lowest levels in a week after ADP came in slightly softer, but most of the rally was already in place from the overnight session. Stronger ISM and job openings pushed bonds back in the other direction, but not enough to result in bond market losses or negative reprices.

**PLAY VIDEO**

The screenshot shows the MBS LIVE software interface. It features a central chart for the 10-Year Treasury bond, which shows a price of 106.75 (0.00) with a yield of 3.915%. The chart displays price action from January 20 to January 27. A green box highlights the chart area. To the left is a 'REAL TIME PRICING' table for the 10-Year Treasury, showing prices and yields for various maturities. Below the chart is a 'LIVE NEWS STREAM' with a message about the ECAI's December Jobs Report. To the right is a 'LIVE CHAT' window with several messages from users. At the bottom, there are sections for 'UPCOMING EVENTS', 'MBS CALENDAR', and 'MBS LIVE ALERTS'.



Watch the Video

## MBS Morning

8:45 AM Stronger Start Thanks to Europe and ADP

Alert

10:11 AM Down an Eighth From Highs After 10am Data

4:17 PM

## Econ Data / Events

- ◦ ADP Employment
  - 41k vs 47k f'cast, -32k prev
- ISM N-Mfg PMI (Dec)
  - 54.4 vs 52.3 f'cast, 52.6 prev
- ISM Services Employment (Dec)
  - 52.0 vs -- f'cast, 48.9 prev
- ISM Services New Orders (Dec)
  - 57.9 vs -- f'cast, 52.9 prev
- ISM Services Prices (Dec)
  - 64.3 vs -- f'cast, 65.4 prev
- USA JOLTS Job Openings (Nov)
  - 7.146M vs 7.60M f'cast, 7.670M prev

## Market Movement Recap

- 08:17 AM Steadily stronger overnight and slightly stronger after ADP. MBS up 5 ticks (.16) and 10yr down 4.2bps at 4.123
- 10:02 AM Losing ground after 10am data. MBS back to unchanged and 10yr down 1.3bps at 4.152
- 12:06 PM Recovering a bit into mid-day. MBS up 3 ticks (.09) and 10yr down 2.8bps at 4.138
- 04:42 PM Off the strongest levels, but still in stronger territory. MBS up 2 ticks (.06) and 10yr down 1.6bps at 4.149

## Lock / Float Considerations

- With Wednesday's data failing to inspire any significant volatility, attention turns to Friday's jobs report as this week's last big-ticket event. Thursday is a bit of a push, but with rates at 2-month lows, risk averse clients remain in lock mode.

## 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

MBS	Change
30YR UMBS 5.0	+
30YR UMBS 5.5	+
30YR GNMA 5.0	+
15YR UMBS-15 5.0	

## US Treasuries

---

10 YR	4.151%	-0.015%
2 YR	3.472%	+0.006%
30 YR	4.832%	-0.035%
5 YR	3.705%	-0.006%

---

[Open Dashboard](#)

[Share This](#)