

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Ultimately Underwhelming Despite Seemingly Significant Data



Sydney Andrews
Mortgage Professional,
Loanenvy.com

Loanenvy.com
M: (818) 359-0744
sydney@loanenvy.com
NMLS#47982

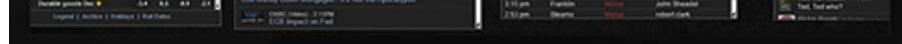
loanenvy
MAKING LENDING PERSONAL

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.

The screenshot displays the MBS LIVE interface. It features a top navigation bar with 'HOME', 'ABOUT', 'LOG IN', 'LOG UP', and 'HELP'. Below this is a 'REAL TIME PRICING' section with a table for 'MBS 30 Year' and 'MBS 10 Year' bonds, showing 'Price' and 'Yield' for various maturities. To the right is a 'REAL TIME CHART (MBS)' for the '30yr Fixed 4.0' yield, showing a price of 106.75 and a chart with a green box highlighting a recent price action. Further right is a 'REAL TIME CHART (10)' for the '10 Year Treasury' yield, showing a price of 1.8270 and a chart with a green box. A large central video player is overlaid on the charts, with the text 'PLAY VIDEO' at the bottom. The bottom of the screen has a 'NEWS STREAM' section with various news items and a 'RECENT REPORTS & PRICE' section with a table of recent reports and their dates.



[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")

- 4.48
- 4.40
- 4.34
- 4.28
- 4.19
- 4.12
- 4.05

- Floor/Resistance

- 3.89
- 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](#)