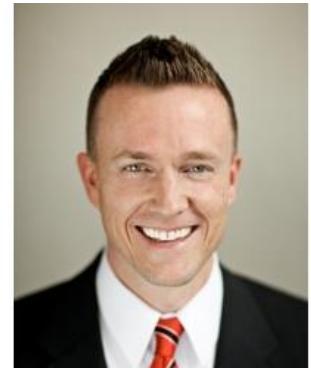


MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Ultimately Underwhelming Despite Seemingly Significant Data



Bryan Ashby

Owner, Ashby Financial Group, LC

www.ashbyfinancialgroup.com

P: (801) 294-6179

M: (801) 455-1007

bryan@ashbyfinancialgroup.com

326 Apricot Grove
Kaysville UT 84037



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 shows the MBS LIVE software interface. On the left, there's a 'REAL TIME PRICING' section with a table for 'MBS 30 Year' bonds. The table includes columns for 'Price', 'Yield', and 'Change'. The data shows yields ranging from 3.3% to 4.0%. In the center, there are three charts: 'REAL TIME CHART (MBS)', 'REAL TIME CHART (TREASURY)', and 'REAL TIME CHART (MBS)'. The 'REAL TIME CHART (TREASURY)' chart is highlighted with a green box and shows a price of 106.75. The 'REAL TIME CHART (MBS)' chart shows a price of 1.8279. At the bottom, there's a 'LIVE NEWS STREAM' and a 'USER REPORTS' section. A large play button is overlaid on the charts.



[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 fcast, -32k prev
 - ISM N-Mfg PMI (Dec)
 - 54.4 vs 52.3 fcast, 52.6 prev
 - ISM Services Employment (Dec)
 - 52.0 vs -- fcast, 48.9 prev
 - ISM Services New Orders (Dec)
 - 57.9 vs -- fcast, 52.9 prev
 - ISM Services Prices (Dec)
 - 64.3 vs -- fcast, 65.4 prev
 - USA JOLTS Job Openings (Nov)
 - 7.146M vs 7.60M fcast, 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

30YR UMBS 5.0	+
30YR UMBS 5.5	+
30YR GNMA 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](#)