

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Ultimately Underwhelming Despite Seemingly Significant Data



Saverio Gorniak
Mortgage Broker, Mettle Mortgage

mettlemortgage.com
M: (904) 687-9274
sam@mettlemortgage.com
6126 Atlantic Blvd
Jacksonville FL 32211
1954721



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.

A screenshot of the MBS Live software interface. The top navigation bar includes 'TIME', 'PRICING', 'REAL TIME CHART (BOND)', 'REAL TIME CHART (TREASURY)', 'MBS LIVE CHAT', and 'SETTINGS'. The 'REAL TIME CHART (BOND)' section shows a line graph of bond yields for various maturities, with a green box highlighting the 30-Year Treasury. The 'REAL TIME CHART (TREASURY)' section shows a line graph of Treasury yields. The 'MBS LIVE CHAT' section on the right shows a list of messages from users. A large play button in the center of the screen indicates a video is being played. The bottom of the screen has a 'PLAY VIDEO' button.



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 4.140

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

30YR UMBS 5.0	+
30YR UMBS 5.5	+
30YR GNMA 5.0	-

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](#)