

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

ALERT: MBS Rapidly Starting to Sober Up

MBS prices have been a complete mess since yesterday afternoon's announcement. A large contingent of traders who weren't in the office y'day afternoon traded the news for the first time this morning, thus adding to a massive spike early. Cooler heads are prevailing now and MBS have dropped 3/8ths of a point from the AM highs. That said, they continue to outperform TSYs significantly--just not as much as they were an hour ago.

5.0 coupons are currently up only an eighth of a point on the day. 10yr yields are up 1.8bps at 4.19.

This isn't a reprice alert since rate sheets aren't out yet, but when they do come out, we should no longer be expecting as dramatic a shift as suggested by this morning's initial trading.

Wayne Tucker

Spectra Mortgage
Corporation

www.spectramortgage.com

P: (303) 468-1985

M: (303) 884-4446

wtucker@spectramortgage.com

3900 SWadsworth
Lakewood CO 80235

NMLS#:298382, Colorado #:
MLO100009851

Spectra Mortgage Corporation
NMLS License: 387483

SPECTRA
MORTGAGE