

MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: 10yr Yields Finally Break The Range



JD Dindinger

Mortgage Broker,
Neighborhood Mortgage
Group

www.JDapproves.com

P: (503) 409-3933

jd@clientdirectmtg.com

Salem OR

NMLS# 397740

Website: [APPLY NOW](#)



10yr Yields Finally Break The Range

MBS Recap | Matthew Graham | 4:27 PM

Despite an absence of market movers on the calendar, bonds found a reason to move. In fact, 10yr yields staged their first legit breakout from the narrow trading range of the past 4 months. Whether that has any implications for the future is a debate for technical analysts to have with fundamental traders. There was an extra little jolt of mid-day weakness when Trump suggested Hassett was out of the running for the Fed Chair nomination, but the day's bond losses would still be better-characterized as gradual and non-event-driven. MBS outperformed yet again for the same old reason (actual and/or anticipated GSE MBS purchases), but nonetheless ended the week at the lows.





Watch the Video

MBS Morning

10:38 AM Slow Start, Quiet Calendar

Alert

10:51 AM Negative Reprice Risk Increasing

Alert

2:10 PM Negative Reprice Risk Picking Up a Bit

4:14 PM

Econ Data / Events

- Industrial Production (Dec)
 - 0.4% vs 0.1% f'cast, 0.2% prev

Market Movement Recap

10:58 AM Losing ground from flat, opening levels. MBS down 5 ticks (.16) and 10yr up 4.1bps at 4.215.

12:48 PM Off the weakest levels in MBS, now down 3 ticks (.09). 10yr near weakest levels, up 4bps at 4.214

02:18 PM Down to new lows. MBS down 5 ticks (.16) and 10yr up 5.6bps at 4.23

Lock / Float Considerations

- Mortgage rates have clearly met with some resistance when attempting to break below an index level of 6.0% and they pushed up to the highest levels of the week by Friday. With a long weekend ahead

of 0.0% and they pushed up to the highest levels of the week by Friday. With a long weekend ahead and Treasuries finally breaking the naughty side of their trading range, risk-aversion is an easier case to make. That said, some of this weakness may have simply been position squaring ahead of a 3-day weekend.

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
- 15YR UMBS-15 5.0

+

US Treasuries

10 YR	4.228%	+0.054%
2 YR	3.597%	+0.030%

30 YR

4.838%

+0.040%

5 YR

3.822%

+0.054%

[Open Dashboard](#)

[Share This](#)